



open DOORS - Designing a network of cOOperating cReative communities for developing a Sharing economy

Interreg MED Programme

Priority Axis 1: Promoting Mediterranean innovation capacities to develop smart and sustainable growth

Specific objective: 1.1 To increase transnational activity of innovative clusters and networks of key sectors of the MED area

State of the Art SWOT Analysis Needs Analysis

Deliverable 3.2.1 - part 1

**STATE OF THE ART: SHARING OR COLLABORATIVE ECONOMY.
A DRIVER FOR SOCIOECONOMIC DEVELOPMENT IN THE MED REGIONS?**

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1. Introduction, objective and purpose

Trend analysis shows that the sharing and collaborative economy is growing fast. According to some estimates, the volume of transactions made through sharing economy platforms already exceeds 30,000 million Euros in Europe. Although the revenues generated by these platforms are now close to 4,000 million Euros, turning these revenues into profit is proving to be a challenge. The key issue is not the strictly economic dimension of the phenomenon but the fact that sharing and collaborative initiatives and practices are changing citizens' behavioural models and interactions as consumers and producers. The sharing and collaborative economy also implies a new way of thinking and doing things. In the end, the sharing economy is not about technology – it is about people, about changing human behaviours.¹

Digital technologies make it possible to exploit the potential production and sharing capacity: they allow people to share things that they traditionally do not use full-time, such as homes and cars. These are practices that promote the use and exploitation of properties, favouring re-use over purchase and access over ownership. However, the sharing economy is not only about money. It is a way to enrich social relationships and do business in a more sustainable way. The emergence of sharing platforms is changing the way in which industries, such as food and beverages, travel and transportation, accommodation and services, conduct business and are forcing them to re-evaluate their business models. The sharing economy has far-reaching implications, such as improving resource utilization, increasing convenience, creating jobs, improving digital awareness and environmental benefits.

The purpose of this report is to provide an overview of the state of the art of the sharing and collaborative economy, trying to determine whether it is only a fad reinforced by the media or whether it represents a change of paradigm that could promote socioeconomic development in the Med regions. Along with this more theoretical approach, we also want to adequately ground and define a joint strategy and action plan for offering a mix of innovative services to creative local communities, enabling them to "open the doors" to new forms of sharing and collaborative economy. The "open DOORS network" will be ready, in the near future, to test innovative services and develop real and concrete experience of the sharing economy.

In this study, we will provide an ecosystem vision of the state of the art on the sharing economy that includes different dimensions such as: economic, technological, territorial, and social, as well as a discussion around policies, regulatory and legal issues.

All these aspects will be analysed in terms of different geographical levels: European, National and territorial level. The report is organised as follows. Section 1 gives a brief

¹ Argued by Martijn Arets, re-cited from Karabell S., 2017. The Sharing Economy: Innovation vs. Regulation. Forbes, 6 april 2017. Available at <https://www.forbes.com/sites/shelliekarabell/2017/04/06/the-sharing-economy-innovation-vs-regulation/#8ee595f2e594>

introduction to this study and its related objective and purpose. Section 2 introduces a series of key concepts and definitions on the sharing economy; for this review, we propose a proper operational definition for the purpose of the open doors project. Section 3 describes the economic implications of the sharing and collaborative economy from the macro and micro perspective, paying special attention to new business models. Section 4, 5, and 6 address the technological, social and territorial implications of the sharing and collaborative economy while Section 7 lays out the enormous challenges that the sharing and collaborative economy poses to public policies and regulatory frameworks. Section 8 captures the picture of actual development in the four Mediterranean countries (Croatia, Italy, Slovenia and Spain) involved in openDOORS. Finally, Section 9 includes some conclusions and recommendations.

2. Current definitions and concepts in the study of the sharing economy

The concept of the sharing economy has been widely discussed; it has been a subject of considerable interest to stakeholders and policy-makers across the globe. Rifkin (2011) claims that "the sharing economy is the third industrial revolution". The sharing economy, in some experts' opinion, will replace capitalism and socialism, which characterised the nineteenth century. The term sharing economy is often used interchangeably with collaborative economy, collaborative consumption, and peer-to-peer commerce. Neither the collaboration among individuals nor the use of shared resources is a new phenomenon. The novelty of the so-called sharing economy lies in taking advantage of the possibilities opened by the computer technologies that advanced at the end of the 20th century. This new technological framework reduces the informational asymmetries and transaction costs (by transaction costs, economists mean all the costs and inconveniences involved in an economic transaction) that affect these activities, increases the scale at which they are carried out, and allows them to be performed in the ways that are different from those already known. However, as the European Commission (2016) states: "the collaborative economy often raises issues with regard to the application of existing legal frameworks, blurring established lines between consumer and provider, employee and self-employed, or the professional and non-professional provision of services".

So far, the literature has provided several definitions of the "sharing economy" or "collaborative economy" concept such as:

- "An economic system in which assets or services are shared between private individuals, either for free or for a fee, typically by means of the Internet." (Stevenson, 2010);
- "Networks of individuals providing goods and services to each other at lower cost than getting them through corporations. It also includes individuals who share, trade, or rent products and services on an as-needed basis rather than owning them" ((Berg & Fawn, 2016)
- "A peer-to-peer-based sharing of access to goods and services" (Gata, 2015);
- "Any platform that brings together distributed networks of individuals to share or exchange otherwise underutilized assets. It encompasses all manner of goods and services shared or exchanged for both monetary and nonmonetary benefit" (The Economist, 2013);
- "The rental of something a user is not using such as a car, house or bicycle to stranger through a peer-to-peer service" (Koopman, Mitchell, & Thierer, 2015);
- "A peer-to-peer based activity of obtaining, giving, or sharing the access to goods and services, coordinated through community-based online services" (Andersson, Hjalmarsson, & Avital, 2013);
- "A socio-economic ecosystem built around the sharing of human and physical resources. It includes the shared creation, production, distribution trade and

- consumption of goods and services by different people and organizations” (Hamari, Sjöklint, & Ukkonen, 2016);
- “Online platforms that help people share access to assets, resources, time and skills” (Matofska, 2014);
 - “An economic system based on sharing underused assets or services, for free or for a fee, directly from individuals” (Woskow, 2014);
 - “An economic model in which individuals are able to borrow or rent assets owned by someone else” (Investopedia.com, 2017) ;
 - “A business model that actually belongs to a 'family' with multiple organizational schemes: some of them are very simple – barter – other much more sophisticated – online exchange platforms, based on complex algorithmic software” (Botsman, 2015);
 - “The use of digital platforms or portals to reduce the scale for viable hiring transactions or viable participation in consumer hiring markets (i.e. 'sharing' in the sense of hiring an asset) and thereby reduce the extent to which assets are under-utilised”. (Goudin, 2016).

The above definitions indicate that the sharing or collaborative economy consists of more or less informal economic activities that include consumer transactions such as swapping, renting, reselling, co-owning, lending, and donating (With, Tran, & Silva, 2013). Different types of objects can be subject to these sharing/collaborative transactions, including physical resources like cars (Andersson et al., 2013), digital resources like computer files (Benkler, 2004), and intangible goods like experience (John, 2013). These economic activities strictly rely on the use of online platforms that allow people sharing their resources among them.

There are many types of actors, activities and systems in the sharing or collaborative economy. These activities can be done for profit (e.g. Uber, BlaBlaCar and Airbnb) or for non-monetary purposes (Wikipedia). Some of the companies that have flourished in this area provide consumers with access to certain goods or services through a technological platform that greatly simplifies the corresponding transactions (Zipcar). Others are merely intermediaries providing some technological platforms, between the subjects who exchange or share goods or provide certain services (Uber). Some of these activities are carried out in areas that have so far lacked specific legal regulations (Taskrabbitt). Others, on the other hand, are carried out in market sectors that have been subject to significant public intervention (e.g. in taxi and accommodation sectors), which has greatly restricted the freedom of individuals wishing to take part in them.

An optimistic approach to the sharing or collaborative economy sees it as an economic opportunity, which supported a more sustainable form of consumption and a pathway to a decentralised, equitable and sustainable economy (Gruszka, 2017). Collaborative economy systems, however, are not without problems. They can generate negative externalities: social costs that are not borne by those who carry out these activities but by individuals, who will probably cause the level of achievement of these activities to exceed that which would be optimal from the social welfare point of view. It has been noted, for example, how neighbours of those who make their homes available to the

public on platforms like Airbnb can suffer discomfort and damage that exceeds what is normal and reasonable in neighbourhood relations. As they are typically "one-shot players" who cannot subsequently be "rewarded" or "punished" by neighbours based on their good or bad behaviour, short-term users of homes offered through Airbnb have less inducements than long-term users when it comes to exhibiting neighbourly behaviour.

Some collaborative economy systems and those who intervene in them systematically have been accused of evading taxes and even social security payments, which not only undermines the interests directly protected by tax and social security legislation but also distorts competition to the detriment of 'traditional' companies operating in the same sectors that do observe the relevant legislation. Similar criticisms have been made concerning the disrespect shown for the standards established to protect the interests of consumers, users and workers.

The basic starting hypothesis of the Open Doors research program is that many of the manifestations of the sharing or collaborative economy need specific legislation that takes into account their radical peculiarities and allows a balanced approach to the multiple legitimate interests at stake, since pre-existing regulations do not always give a clear and proportionate answer to the problems posed by the widespread adoption of these models derived from the possibilities offered by modern information technologies.

The main cause of the emergence of the sharing or collaborative economy is the exponential development of information and communication technologies (ICT) and their pervasive adoption by citizenship. However, there are other factors that have boosted its growth in the last few years:

- a) The failure of the conventional economic model and the rise of unemployment or sub-employment has served as a powerful incentive for many people to invent, develop, implement or participate in collaborative economy activities to obtain income or enjoy goods or services which they cannot access in any way or under such favorable conditions under traditional systems
- b) Rising concern for the environment, since many forms of sharing or collaborative economy activities allow a more efficient and sustainable use of the scarce natural resources
- c) Urbanization and high population concentration create a "critical mass" of supply and demand and facilitate better matches. The sharing or collaborative economy also enables bypassing traditional middlemen and taking control of meeting one's own needs (Hatzopoulos & Roma, 2017). Collaborative economy platforms expand the possibilities of face-to-face or virtual interactions with a vast community of people.

Types of sharing or collaborative economy activities

Several concepts have been extracted from the literature to describe sharing or collaborative economy online platforms. Hoffen, Matzner and Chasin (2015) provide an overview of the concepts that served as input for the design of ontology for describing

peer-to-peer (P2P) sharing or collaborative consumption (SCC) platforms. Specifically, this overview identifies the following concepts:

- **Resource Type** describes the type of physical resource that a peer-provider must possess or have access to in order to be able to deliver the service to a peer-consumer (World Intellectual Property Organization, 2011). The resource type is strictly connected to the sector (defined in Section 5.2). For example, the physical resources in the labour services sector are the skills, while the physical resources in the cultural sector are books, movies or online libraries;

- **Sharing pattern** describes the combination of the planning horizon that is required for the service at hand and the degree to which each service instance is unique. Each access-based service “can be of short-term or longitudinal duration. At one end of the continuum, access can be short term, characterized by a one-time transaction, such as renting a car or a hotel room. At the other end, access can be longitudinal, where consumers have a membership in a community or club, such as in car sharing” (Andersson et al., 2013; Bardhi & Eckhardt, 2012);

- **Market Mediation** describes whether a P2P SCC platform is operated for profit or not-for-profit. For-profit means that the platform generates profit in one of the following ways: through the advertisement of customer data by charging the peer-consumers, by charging the peer-providers or by charging both the peer-consumers and the peer-providers. Not-for-profit means that no profit is generated by the operator (Bardhi & Eckhardt, 2012);

- **Type of Accessed Object** is a concept that helps to clarify the nature of the access in a P2P SCC scenario by differentiating between access to a purely functional object like a storage space and experiential access like a visit to a museum (CALDER & MALTHOUSE, 2006; Chen, 2008);

- **Service Duration** refers to the amount of time the physical object is accessed during a service instance. P2P SCC platforms are categorized according to whether the duration of their services is measured in minutes, in hours, in days, in weeks, or in months (Bardhi & Eckhardt, 2012);

- **Smartphone Support** P2P and SCC platforms are categorized according to values that correspond to mobile apps that exist for a particular operating system, i.e. iOS, Android, and Windows Mobile (Anthes & Gary, 2011; Brynjolfsson, Hu, & Rahman, 2013)

- **Consumer Involvement** is used to assess the extent to which the customer is involved in the consumption experience. Full-service corresponds to a service in which the consumer has no involvement or limited involvement and takes a passive role, whereas self-service means that the consumer is responsible for all activities involved, such as self-storage by the peer-consumer in a storage space that is offered by a peer-provider (Bardhi & Eckhardt, 2012; Bendapudi & Leone, n.d.; Mills & Morris, 1986)

- **Money Flow** characterizes the payment process for a transaction initiated on a P2P SCC platform. Many forms of payment can be categorized as either a direct C2C

transaction using typical payment methods, or C2B2C, where the platform itself processes the payment and may act as trustee (Kreyer, Pousttchi, & Turowski, 2002).

Another concept that is important to consider as input for the design of the ontology is the business sector that describes the different types of initiatives that fall under the umbrella of the sharing or collaborative economy, categorised by Cheng (2014) as follows:

- **Peer-to-peer marketplaces**, where providers and users meet to exchange goods (new or second hand) or services;
- **Gift economy**, where initiatives based on the voluntary contribution of goods or services are provided;
- **Commons-based peer production**, which relies on small voluntary contributions (content) from a large group of people;
- **Solidarity economy/democratic wealth**, which includes initiatives in which a larger group of people work together to create mutual wealth;
- **Collaborative consumption**, which contains initiatives aimed at preventing excessive production of goods;
- **Peer-to-peer lending**, where initiatives based on the lending of money to others are provided;
- **Crowdfunding**, which refers to initiatives aimed at realising projects financed by a large number of people;
- **Ridesharing**, based on sharing transportation.

With similar conceptual inputs, *Crowds Companies*² proposes a visual representation that provides a complete overview of most of the sectors involved.

Whatever the case, the lack of clear definitions leads us to the consideration that taxonomies and classifications can also be very diverse. If there is one common thread across these business models, it is that sharing or collaborative economy business models are grey and not black and white. Therefore, prior research which has sought to concisely summarize what is and what is not part of a sharing or collaborative economy construct has often come short (Muñoz & Cohen, 2017).

Some collaborative economy business sectors adapted from Collaborative Economy Honeycomb are shown in Figure 1. Some details of subsectors for sharing or collaborative economy are presented in Figure 2. Note that Figure 2 organises these sectors distinguishing the role of actors with respect to business models such as: Peer 2 Peer, Business 2 Business and Enablers. This document considers the different sectors

² In the visual representation, the economy is organized into discrete families, sub-classes and example companies. The full directory, which includes more than 9,000 companies, can be accessed at <http://meshing.it/companies>

and revises the business models proposed in the open DOORS project as described in the section that discusses business models.

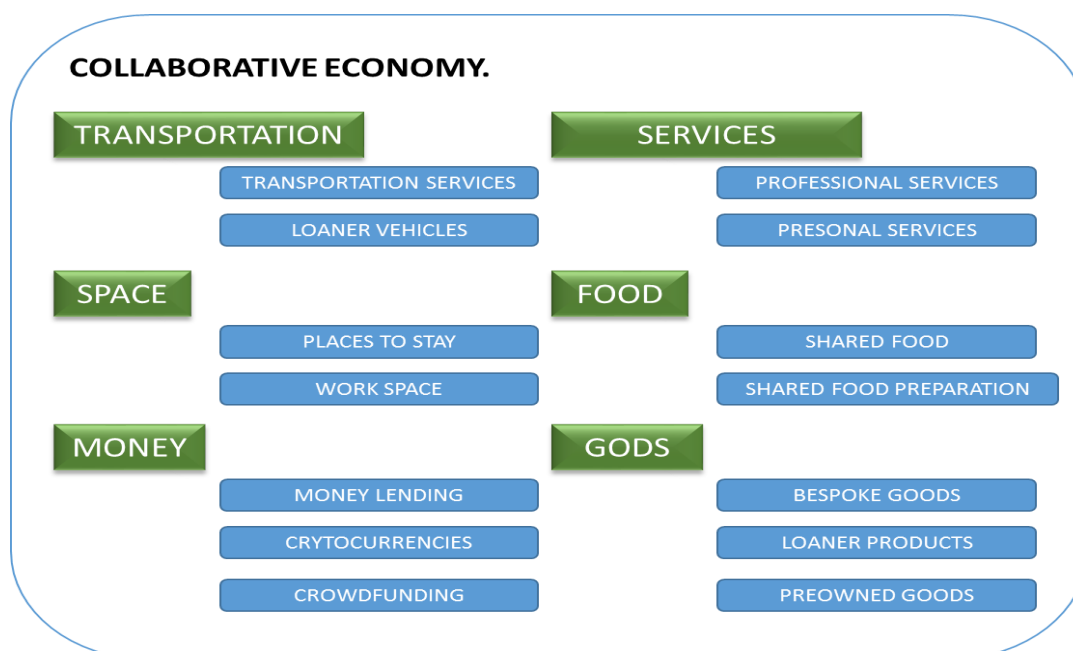


Figure 1. Adapted from Collaborative Economy Honeycomb.

Source: <http://www.web-strategist.com/blog/wp-content/uploads/2014/05/Honeycomb.jpg>

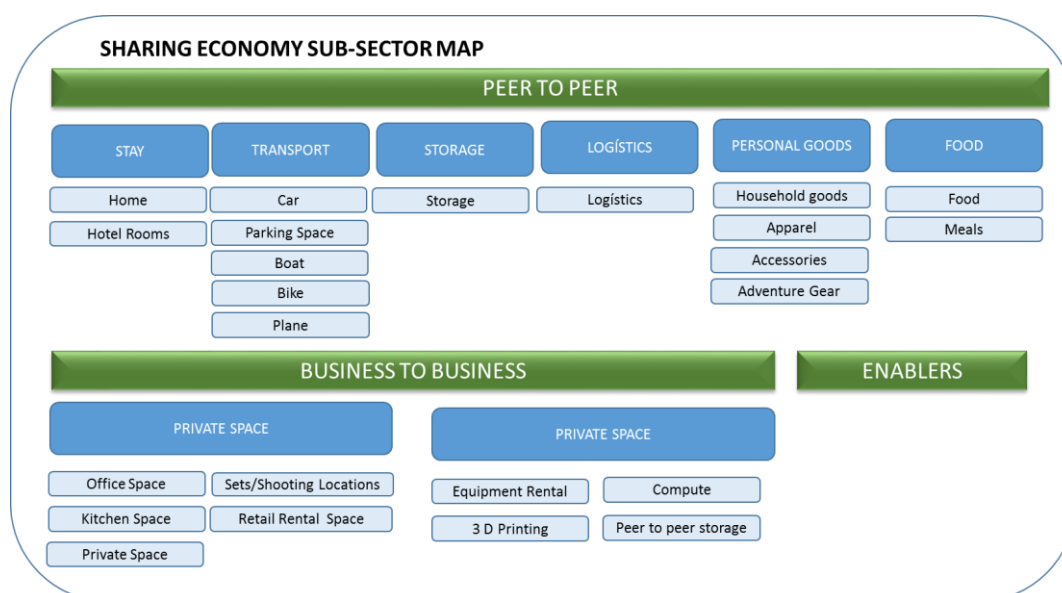


Figure 2. Sharing or Collaborative Economy Landscape.

Source: Tracxn

A definition for the Open Doors project

As seen in previous sections, there is no easy way to find a comprehensive definition of the sharing or collaborative economy. As already explained before, the European

Commission admits that both terms are often used interchangeably. Collaborative economy is a rapidly evolving phenomenon and its definition may evolve accordingly. In an extensive literature review published in 2016, the JRC called the sharing or collaborative economy a “broad umbrella term” for which there is “no consensual definition”. Sometime in 2015, the European Commission started using the phrase “collaborative economy” instead of “sharing or collaborative economy”. The Commission paper *A European Agenda for the Collaborative Economy*, published exactly on 2 June 2016, defined the concept as “business models where activities are facilitated by collaborative platforms that create an open marketplace for the temporary usage of goods or services often provided by private individuals”.

For the purposes of this work, we propose a definition of the sharing or collaborative economy in which we consider transactions between people that fulfil at least 5 of the following 7 characteristics:

- The participants of the sharing or collaborative process have a **self-awareness** of belonging to a **new way of doing things** and innovation is at the core of the process. The sharing or collaborative economy is also about new ways of doing things. For some, owning a car is no longer the status symbol it once was – membership of a car club means they can still drive when they need to, but don’t have to worry about MOTs or finding a parking space. Others are meeting their neighbours for the first time through platforms that help people share their gardening tools in their local areas. And many, particularly young people, are finding that staying with someone in their home is an entirely different way to see a new city. (Woskow, 2014). Sharing or collaborative economy implies, in some way, demands on connection, collaboration and community.
- **Technical Interface.** The Internet has allowed the reduction of the transaction costs, which were an important limitation for the growth of the collaborative economy. Moreover, it enables a wider potential demand and supply for the exchange of goods and services that opens access to any agent connected to the network. However, the Internet goes further than that. The apps developed reduce the costs of obtaining information about goods and services, as well as the costs of negotiation and decision, monitoring and implementation. The sharing or collaborative economy, through the use of the Internet and real time reputational feedback mechanisms, provides a solution for the asymmetric information problem (Thierer, Koopman, Hobson, & Kuiper, 2015). The phenomenon of the sharing or collaborative economy thus emerges from a number of technological developments that have simplified sharing or collaborative use of both physical and nonphysical goods and services through the availability of various information systems on the Internet (Hamari et al., 2016). Usually, digital platforms can generate strong network effects: the value of a platform and the number of transactions increases more than proportionally with the number of participants. The higher the number of participants already on the platform, the more others will want to join because it increases consumer choice and boosts markets for service suppliers (Codagnone & Martens, 2016).

- **Peer-to-peer exchanges** in a more or less **decentralized** way. In the collaborative economy, the relationship between supply and demand takes place horizontally. The mediation between these two elements is just an interface that does not take any risk and does not take advantage of an information asymmetry from a monopoly position. The term peer-to-peer is commonly associated with file sharing. However, it also refers to the larger phenomenon of collaborative activities between users online, such as consumer-to-consumer exchanges in which content generation is highly distributed and decentralized as a result of organic growth and strong user self-organization. Moreover, an essential aspect of this type of platforms is the focus on collaboration (Hamari et al., 2016).
- **Re-use of idle assets or resources that are not usually considered as resources.** Traditional systems of production and consumption imply very high levels of underutilization of certain resources and the overexploitation of others. The case of passenger cars is paradigmatic. It is estimated that they remain parked between 92% and 96% of their useful life, and that a surprisingly high percentage of urban land is devoted to this purpose. The new car sharing systems make it possible to reduce these percentages, thus reducing the exploitation of urban land, and have the potential to produce positive externalities in the fight against Climate Change and the depollution of our cities, since they meet the same mobility needs with fewer cars and parking spaces. This concept is linked with the concept of circular economy, a regenerative model based on feedback-rich flows allied to new circular economy business models. The economic advantage lies in designing out waste, enabling access over ownership, using materials in cascading systems and radical resource productivity with the prospect of rebuilding capital and resilience. The use of the sharing or collaborative economy always has an impact on the sustainability of the economic model.
- **Value framework.** The cases and experiences of the sharing or collaborative economy are embedded in other values. The “sharing” discourse and movement emerged as a form of social utopianism out of the broader narrative on the wisdom of the crowds and the creativity of the commons. The end goal is not only to maximize individual utility but to achieve social, collaborative, participated, common and global ends. These global ends go from a sustainable consumption and production to overcoming the philosophy of capitalism as a predatory economic system. Heinrichs (2013) highlights the main aspects of this vision: the relevance of materialist and post-materialist values related to consumer practices together with a reflection on new results of happiness research; the influence of environmental and sustainability awareness on changing consumer habits and practices; the broader debate on limits to (material) growth and new indicators of wealth and quality of life as the macro-political sibling of sharing or collaborative economy practices; the disruptive development of information and communication technologies facilitating the sharing or collaborative economy; the role of critical perspectives on capitalism and consumerism; the anthropological and socio-psychological discourse on *homo economicus* versus *homo collaborans* and the role of trust in human

interaction. Other studies add that enjoyment plays an essential role in attitude formation and use intentions. Some people might take part in CC simply because it is fun and provides a meaningful way to interact with other members of the community. Therefore, even if the particular motivations of individual participants vary from mainly altruistic to strongly gain-seeking, the sharing or collaborative economy as a whole remains functional, provided that the benefits for each participant outweigh possible costs incurred through the imbalance of contributions (Hamari et al., 2016).

- The activities involved contribute somehow to the **building of social capital**. The new digital platforms allow the social aspects of the exchange, the communicative dimension of the physical market in the style of the souk or the Mediterranean market, creating a new form of crowd-based capitalism powered by the digital trust grid (Mazzella, Sundararajan, Butt d’Espous, & Möhlmann, 2016). As stated by J. Schor (2014), although there are exceptions [...], people share inside their own social networks. Today’s sharing or collaborative platforms facilitate sharing among people who do not know each other and who do not have friends or connections in common. Sharing with strangers entails higher degrees of risk and many of today’s exchanges are quite intimate—sharing one’s home or car, going into strangers’ homes to do work or eating food prepared by unknown cooks. The platforms reduce the risk by posting information on users via feedback and ratings. This points to a second novel dimension—the use of digital technology to reduce transactions costs, creates opportunities in real time and crowdsource information. The uniqueness of this new sharing or collaborative economy is that it mobilizes technology, markets, and the “wisdom of crowds” to bring strangers together (Sundararajan, 2013).
- Rules are built less on coercive agreements and more on mechanisms of **trust and reputation**. In “traditional” (B2C) e-commerce, trust can be understood as a willingness to depend on an online vendor. However, the picture for C2C markets is more complex. Sharing or collaborative economy users engage in interactions with multiple parties, usually the platform operator and another private individual. Consequently, the vendor’s and the customer’s role is taken by private individuals, sharing a ride, renting out a car, apartment, or other equipment – or seeking to rent it. The platform, however, acts as a broker and mediator between both market sides, and may also appear trustworthy or not (Hawlitschek, Teubner, & Weinhardt, 2016).

3. Sharing or collaborative economy and economic implications

The sharing or collaborative economy represents a new economic paradigm driven by technologies. The scientific debate around the economic implications of the sharing or collaborative economy converges around issues such as new business models, new challenges for the tax system, productive model changes, productivity growth and labour market changes. In a general approach, we can say that the sharing or collaborative economy could affect the economic dynamics in different scales. Some authors consider that the sharing or collaborative economy could have the same impact on Western economics as the incorporation of mass production, from the organization of labour to the nature of the social contract in a capitalist society. Therefore, we are in a change of era, a transformation process in which it is difficult to predict future impacts with the evaluation tools used in the past.

Others studies consider that peer-to-peer business enabled by digital platforms will constitute a significant segment of the economy in the coming years. It is likely that this transition will have a positive impact on economic growth and welfare by stimulating new consumption, by raising productivity, and by catalysing individual innovation and entrepreneurship (Sundararajan, 2013).

A very recent piece of research estimates that 70% of Europeans (Apesteguia, Cabrerizo, & Sánchez, 2016) and 72% of Americans (Smith, 2016) are involved in SE activities. As stated in a recent position paper published by four European consumer organizations, “although much has been written about the promise of CC and its potential benefits, it is a largely under-researched area and relatively little is known about its true impact on society, the economy, and the environment.”

Collaborative economy is accused of eroding labour security and generating inequality. The new sharing or collaborative economy is “largely based on evading regulations and breaking the law” and subjects consumers to substandard, possibly unsafe products (Schor, 2014). As Codagnone & Martens (2016) remark: “a number of potentially positive and negative effects can be identified in digital labour platforms. They can increase the pool of employers and workers by removing barriers and reducing transaction costs, improving matching, increasing human capital specialisation, with potential net welfare effects such as more efficient labour markets and increased employment. This may also increase productivity. However, the distributive effects are less clear, depending on whether there will be a long-tail or superstar effect. On the other hand, bias, frictions and mismatches could counter any positive effects. As they create precarious forms of employment, digital labour markets could also be the source of social risks and costs. Temporary work can lead to precarisation, blockages to social mobility and wage penalties. In spite of emerging indications, the evidence for these effects is still limited and not conclusive”.

Some criticisms of the sharing and collaborative economy systems is related to the management of taxation and the disrespect shown for the standards established to protect the interests of consumers, users and workers.

In a more limited view, it could be argued that the sharing or collaborative economy could affect existing economic ecosystems through three types of shocks:

- New or sharing or collaborative projects invent a new business and therefore generate new economic activity. In these cases, the impacts will be focused on how the economic ecosystem would adjust after the shock of a new economic activity. It is in this dimension where we can analyse shifts and pressures to generate a change in the productive model. In this sense, the collaborative economy can be a driver for socioeconomic development through different types of innovation
- Existing collaborative products or services provided by “traditional” producers. In this case, the new supply will modify the competition conditions of the market and the impacts will be focused on the changes needed to guarantee a fair coexistence. In this case, the main economic impact could be the increase of efficiency in a context where traditional systems of production and consumption imply very high levels of underutilization of certain resources and the overexploitation of others. The case of passenger cars is paradigmatic. It is estimated that they remain parked between 92% and 96% of their useful life, and that a surprisingly high percentage of urban land is devoted to this purpose. The new car sharing systems make it possible to reduce these percentages, thus reducing the exploitation of urban land, and have the potential to produce positive externalities in the fight against Climate Change and the depollution of our cities, since they meet the same mobility needs with fewer cars and parking spaces. The main demand is a specific legislation that takes into account peculiarities and allows a balanced approach to the multiple legitimate interests at stake, since pre-existing regulations do not always give a clear and proportionate answer to the problems posed by the widespread adoption of these models derived from the possibilities offered by modern information technologies.
- Products offered by traditional economics in regulated or restricted environments. These products would affect collaborative economy activities carried out outside the scope of the existing regulation. Such cases require a different kind of response and thus point to the need for further reflection.

4. Business models in the sharing or collaborative economy

Being successful in the sharing or collaborative economy means building a business model based on features such as trust, authenticity and transparency with all the actors involved. Business models represent the core aspect of any economic activity as they imply how to select customers, define and differentiates offerings, define the tasks to be carried out and those it will outsource, resources to be configured, going to market, creating utility for customers, and capturing profits” (D’Andrea, A., Ferri, F., Grifoni, 2011).

Chaharbaghi, Fendt, and Willis (2003) identify three interrelated strands that form a business model: “characteristics of the company’s way of thinking, its operational system, and capacity for value generation”. Despite their generality, these three elements can be brought to a more specific level. For instance, the features of the company’s way of thinking essentially pertain to a strategic dimension, while the capacity for value generation can be considered from a resource-based perspective. In Kaplan & Norton (2004), the authors provide a useful framework for analysing businesses as profit models. The framework is based on a long tradition of classifying firms into “internally consistent sets of firms”, referred to as strategic groups or configurations.

These groups are often used to explore the determinants of performance (D’Andrea, A., Ferri, F., Grifoni, 2014). The “traditional” business models are limited by the ways customers can be reached (D’Andrea, Ferri, & Grifoni, 2015). Companies develop a mailing list, a brochure, a radio/television/print message that describes what the company believe being a typical potential customer, but often, these communications would mainly be focused on explicating the products or services the organization offered rather than being focused on the needs, and therefore, on customer benefits (Ferri, D’Andrea, & Grifoni, 2012). Moreover, the organization offers the communication to everyone in the market in the hopes of reaching their target.

With the advent of Web 2.0 technologies, a new generation of business models for the sharing or collaborative economy has been developed. With these “new” business models, companies have the possibility of using market segmentation more effectively than ever before. Within these new business models, collaborative consumption is “made by the activities of sharing, exchanging, and rental of resources without owning the goods. This sharing or collaborative economy began to spread widely by sharing the unused resources between individuals”³.

The type of resource was extended to intangible services and the products/objects that can be shared among companies (business-to-business - B2B) or between companies and consumers (business-to-consumer - B2C) and among consumers (consumer-to-consumer - C2C) (Cho et al., 2013). In a study conducted by Rozin in 2004, the sharing or collaborative economy between companies (B2B) was defined as “collaborative

³http://climatekoti.re.kr/kboard/user/kboard_display_main.php?abstraction=&mode=view&num=70&page=1&gasi_name=%&gasi_code=board&key1=&key2

activities to lend unused goods and services, which are expected to be in excess if individual companies own them, owned by a company to another one, or to invest and use the goods and services jointly with another company”.

Lately, this model has attracted growing interest from researchers and managers. Rozin analyses the processes and methodologies to create a global B2B brand, describing the B2B marketing strategy and using the customer’s learning perspective. In B2C models, companies sell products/services to individual consumers.

Recent years have seen a growing interest in research on B2C models. An important aspect is the understanding of consumer online buying behaviour in the initial and post-acceptance stages ((Ferri, Grifoni, & Guzzo, 2013); Guzzo, Ferri, & Grifoni, 2014a, 2016). Moreover, a key element for adoption is that generally people tend to rely on the opinion of those who are considered leaders or experts in a particular field. Furthermore, positive testimony of other users about the products or services they would like to buy, rent or exchange is a strong persuasive element that contributes to the promotion of the sharing or collaborative economy (Guzzo, Ferri, & Grifoni, 2014b).

This phenomenon is called “social influence”; it refers to changes in a person’s behaviour after an interaction with other people, organizations and in general with society (Casaló, Flavián, & Guinalíu, 2008). Many studies have shown an increasing interest in customer retention in B2C models from diverse perspectives (González, 2003).

Finally, C2C models include any transactions between and amongst consumers. Current studies in the C2C field are not as extensive as the studies in B2B and B2C fields (Ferri, Grifoni, & Guzzo, 2008). There is a need to develop new sharing or collaborative economy models that take C2C into consideration. The business models that are emerging from the sharing or collaborative economy are most interesting in terms of the new markets they offer to the end-users. Business models can include different platform types (business to business, business to crowd and peer-to-peer markets) related to different kinds of transactions (market, alternative and free).

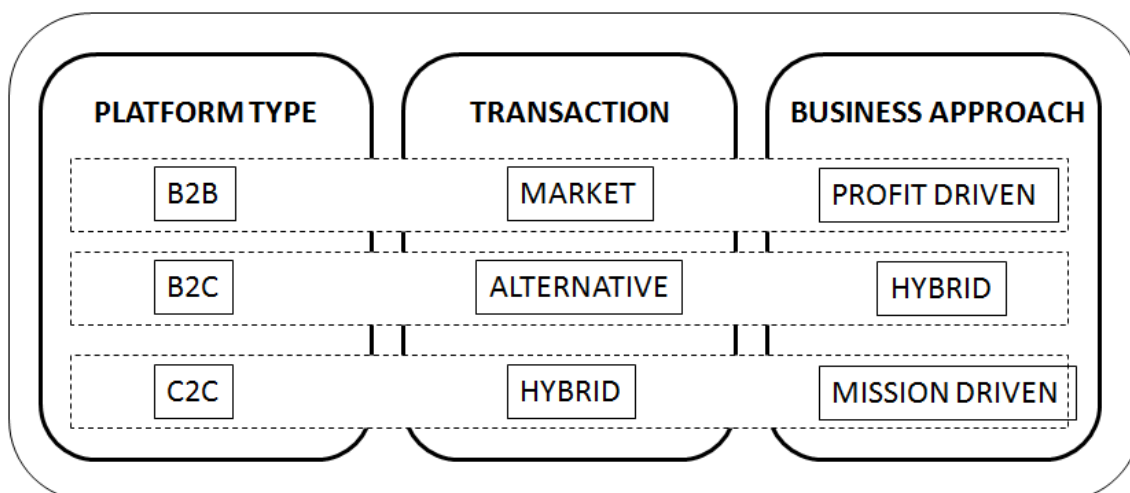


Figure 3. Components of sharing or collaborative economy business models.

Source: Own elaboration based on various documents

According to the different platforms and transactions, different business approaches can be identified: profit driven, hybrid and mission driven (see Figure 3).

The sharing or collaborative economy business models are set up to support collaboration between companies (B2B) to develop common strategies and find suitable business partners to accept or assign profitable orders. B2B platforms can help companies perform more efficiently and enhance their internal operations, cooperating expeditiously to generate market transactions according to a profit-driven business approach. These platforms allow companies to ensure the movement of the supply chain and the manufacturing/procuring processes.

The platform can also target the crowd. This is the case of Business2Crowd (B2C) platform types, developed to support companies, which perform direct sales on the Web. The B2C market is used to acquire and retain new customers with alternative transactions (sale, transfer or other disposition, directly or indirectly, including through an asset sale, stock sale, merger, amalgamation, plan of arrangement or other similar transactions) that reduce marketing costs. The aim of B2C platforms is to create alternative market transactions according to a hybrid business approach that boosts sales figures and enables cost-effective market segmentation and analysis. The main advantages of B2C platforms mainly consist in the reduction of both transactions costs and market entry barriers. Moreover, B2C platforms allow instant communication, worldwide accessibility, personalized products and services, adaptability and cooperation. However, the implementation of B2C platforms also presents disadvantages such as reorganization of business processes, management transformation, credibility gap between technologies and business requirements.

Finally, the value proposition of C2C platforms consists in creating a match between a consumer owning a certain resource (property or skill/competence) and a consumer who needs that resource, at the right time. While the seller needs to pay a fixed fee to sell their products, the buyer can bid without paying any fee (hybrid). The business approach is mission driven and is aimed at introducing and normalising social practices based on values such as collaboration, sharing, improving connection with a community. In C2C platforms, sellers can post their personal items on the Internet cheaply compared to the high cost of store space rental. Another benefit is that many small businesses can obtain a higher profitability over a C2C platform compared to a physical store due to the reduction of overhead costs when conducting e-business transactions. As for the disadvantages of C2C platforms, they are related to credit, payment and distribution. At present, most Internet users worry about the security of electronic payments. These different platforms have become so successful that they have started to disrupt the traditional markets. Beyond the implications for businesses, the sharing or collaborative economy could assist with broader societal change and increase the resilience of communities. The most widespread business model deployed by sharing or collaborative economy companies features an online marketplace through which the demand for certain assets or services amongst peers is matched with the ownership of those assets and services by other peers.

The next sub-sections discuss some examples of sharing or collaborative economy business models (apartment/house renting, couch-surfing, car sharing and ride sharing, co-working, reselling and trading). The benefits and weakness that characterise each of them are described in detail.

Apartment/House Renting

Renting a house or an apartment through an online community marketplace is an alternative to home ownership due to financial or time constraints. The basic idea behind this model is not new: to connect people looking to rent their homes with people who are looking for accommodation. The new element is the speed and the scale at which the business model, together with the development of high-speed Internet, has made short-term home rentals possible. The essential elements of apartment/house renting are shown in Table 1.

Table 1. Essential elements of apartment/house renting.

Sharing or collaborative economy examples	Apartment/house renting via online community marketplace	Benefits	Weaknesses
Apartment/house renting	Airbnb	-profitability	-property will get damaged
	Wimdu	-flexibility	

Source: Own elaboration based on various documents.

Examples of renting apartment/house through an online community marketplace are the following:

- Airbnb⁴ is essentially an online platform through which ordinary people rent out their spaces as accommodation for tourists.
- Wimdu⁵ is an online platform based on peer-to-peer property rental that advertises properties (from single rooms to full apartments) for short-term lettings.

These online marketplaces vary widely, ranging from a living room futon to an entire island (D'Andrea, A., Ferri, F., Grifoni, 2011), but typically involve a private room or an entire apartment or house (Guttentag, 2015). It has contributed to a significant decline

⁴ <https://www.airbnb.it/>

⁵ <http://www.wimdu.it/>

in the number of traditional travel agencies, which have been forced to focus more specifically on complex and higher-end purchases (Bachman, 2013; Candela & Figini, 2012; Juman & Quinby, 2013; Shaheen, Sperling, & Wagner, 1998).

The reason can be found in the advantages that this new form of renting apartment/house offers. The first is profitability; the online platform gives homeowners the possibility of renting their apartment/house for a short or long period of time without having to go through long administrative procedures.

Closely linked to this is the possibility to choose the dates when homeowners want to rent out their accommodation (flexibility). Moreover, they have the freedom to choose who they rent the properties. Another important advantage is the social aspect; in fact, hosting can facilitate the building of new friendships.

Despite the benefits, there are concerns for hosts and guests. The greatest risk for hosts is that their property might get damaged. While most transactions occur without incident, there are stories of entire houses being trashed by dozens of party-goers when the online community marketplace hosts thought they were renting to a quiet suburban family, or an instance when a host came home to find his property had been damaged, items had been stolen and the place was littered with meth pipes. The main concerns for guests might be that the property does not match the description or that the host is unresponsive to their needs. Both hosts and guests can help minimize the risks by using online community marketplace features such as Host Guarantee, profiles, reviews, Verified IDs, secure payment and messaging functions.

CouchSurfing

CouchSurfing is a community of over 5 million members in 97,000 cities around the world that connects travellers and locals who meet offline to share cultures, hospitality and adventures – whether on the road or in their hometowns. The idea of CouchSurfing is to bring together people from all nations of the world to promote the sharing of culture and thoughts by offering free accommodation with the bonus of the member's company and tips. The essential elements of CouchSurfing are shown in Table 2.

Table 2. Essential elements of CouchSurfing.

Sharing or collaborative economy example	CouchSurfing platform	Benefits	Weaknesses
CouchSurfing	CouchSurfing	-Free accommodation	-Fear for physical safety or personal possessions
		-Meet new interesting people	-Rules to follow
		- Live local hangouts	- Housework

Source: Own elaboration based on various documents

CouchSurfing provides the opportunity to meet with them, share life experiences and have fun and laugh. Learning about other cultures allows guests to become more tolerant towards other nationalities and gain personal knowledge: “when you get to experience personally you can grow as a person⁶”. The possibility of having a temporary home away from home without monetary exchange is the most fascinating aspect of couch-surfing. Closely linked to this is the advantage to meet new interesting people, which allow guests to learn more about the culture and traditions of different places. Another important advantage is the possibility of living the local hangouts (the best restaurants, the pubs with the most “vibe”) and visiting places that wouldn’t make it into tourist guidebooks. Travelling is not only about ticking off all the historical sites listed in the guidebook, but also to experience different cultures, try new food and see how others go about their day to day lives. Obviously, there are a number of cons. One of the biggest ones is that people really don’t know anything about where they’re staying or who they’re staying with. This can generate fears for physical safety or personal possessions. Moreover, the accommodations may not be as nice as initially presented (room may be small or the couch may be uncomfortable). Another disadvantage is that guests have to follow any rules set by the host. Some hosts give guests all the freedom and give them a key to let themselves in and out. Others have certain times by which guests have to be in and out of the property and certain rooms they’re not allowed to use. Some hosts may also require guests to do housework (washing the dishes or cleaning the room).

Car sharing and ride sharing

Car sharing and ride sharing are new phenomena in the current economy. These examples of sharing or collaborative economy aim to provide all the benefits of car ownership at a lower cost than traditional car rental or taxi services. They are prevalent in American and Canadian cities. The basic idea of car sharing is renting a car for short trips; car sharing organizations charge by the minute or by the hour, period after which the vehicle will be available for another driver. Car sharing allows drivers to find a car for their specific short-term needs. People can enjoy the advantages of private cars without the costs and responsibilities of ownership (Costain, Ardron, & Habib, 2012).

⁶ <http://www.couchsurfing.org/about.html/mission> . Quoted: 05.11.2011

Table 3. Essential elements of ride sharing and car sharing.

Sharing or collaborative economy examples	Ride sharing and car sharing platforms	Benefits	Weaknesses
Ride sharing and car sharing	CAR SHARING:	-Saving money (monthly payments, gasoline, oil changes and maintenance, parking and insurance).	CAR SHARING:
	Car2Go		-Too much planning
	Lyft	-Reduction of air pollution and energy dependency	-Need to book ahead of time
	RIDE SHARING:	-Reduction of parking infrastructure and road expansions	- Location: access-related issues.
	Uber		RIDE SHARING:
	Lyft	-Improvements in personal health due to an increase in biking and walking	-Liability (additional insurance needed)
			-Lack of guarantee of car availability.

Source: Own elaboration based on various documents

By using some services like Car2Go or Zipcar, it is possible to commandeer a shared vehicle, owned by a for-profit or non-profit organization, and pay for the driving time. Costain et al. in (A. Cohen, Shaheen, & McKenzie, 2008) found that car sharing in Toronto was most often used for off-peak travel or on weekends due to reduction of public transportation and low traffic congestion. The concept of ride sharing is similar to the idea of a taxi. By using apps like Uber and Lyft, it is possible hail a ride from drivers in their personal cars.

Several studies analysed strengths and weakness of car sharing (Cervero & Tsai, 2004; Huwer, 2004; Katzev, 2003; May, Ross, Grebert, & Segarra, 2008). These studies found that ride sharing and car sharing eliminate the fixed costs associated with auto transport (e.g. purchase, registration, insurance) and reduce costs related to public transport (taxi or car hire). This new way of commuting is very useful for occasional drivers. Other studies have focused on the reduction of environmental impacts such as vehicle kilometres, gasoline consumption and greenhouse gas emissions (Firnkrorn & Müller, 2011; Martin, Shaheen, & Lidicker, 2010). Other benefits are the reduction of the

number of cars on the road and the need for parking spaces, which can then be used to develop parks and urban green spaces (Merkel, 2015). There are also health-related benefits, because people who frequently use ride sharing and car sharing tend to sell their own cars and switch to biking and walking. Depending on the circumstances, both ride sharing and car sharing can be useful for commuting. However, if people live in a small town or rural area, vehicle sharing does not offer as many advantages.

There are some weaknesses in this kind of sharing or collaborative economy. For example, car sharing requires an effort in planning. Some people think that this process takes a lot of time and for this reason they tend to look for other solutions. Additionally, the demand is high and a sometimes car sharing services are not able to satisfy all the requests, which means that it is necessary to book ahead of time. This is a disadvantage for drivers who want immediate solutions and leads clients back to car rental. Other concerns are related to location, because sometimes car sharing services are far from the clients or difficult to reach. The limitations of car sharing are at the same time the strength of ride sharing. Among the risks associated with ride sharing services is the issue of liability. For example, if there is an accident, people in the car may be held liable for it. To avoid this type of problems, service users take out additional insurance. Another disadvantage is the lack of guarantee that a car will be available when it is needed; for example, it is difficult to find available cars on rainy days or during rush hour.

Co-working

Co-working spaces are becoming the new future of the urban centres. They make it possible to spread overhead costs among hundreds of workers in different fields. With the financial crisis of 2007/2008 and the subsequent global recession, several collaborative, shared working spaces, called co-working spaces, were born worldwide (DeBare, 2008). Co-working is a way to share the cost of one big office space with other freelancers or entrepreneurs with perks that they might not get at home, such as conference rooms, espresso machines, phone lines, Wi-Fi connections and opportunities for socializing (Leforestier, 2009). Several cities have at least one co-working hub. Examples of co-working spaces are the following:

- Minneapolis-St. Paul's COCO⁷ is a destination for building ventures and exploring new possibilities in the company of other creators. It offers membership that provides access to multiple co-working locations, meeting venues and educational and social events.
- Chicago's The Coop⁸ is a co-working space in downtown Chicago that is open year-round. It hosts freelancers, designers, small businesses and start-ups.
- Austin's Link Co-working⁹ holds twenty offices of varying sizes, from one-person rooms to 15-people suites. It has common spaces, including a kitchen and a

⁷ <https://explorecoco.com/>

⁸ <http://coop.onedesigncompany.com/>

⁹ <http://www.linkcoworking.com/about/>

hangout spot. It offers open plan co-working, small meeting room spaces, conference room rentals, office space, dedicated desk space and event space.

Table 4. Essential elements of Co-working

Sharing or collaborative economy example	Co-working platforms	Benefits	Weaknesses
Co-working	Minneapolis-St. Paul's CoCo	-Low cost work environment	-Money
	Chicago's The Coop	-Mutually beneficial partnerships	-Noise
	Austin's Link Co-working.	-Brings together complementary talents	-Wasted time
			-Transport
			-Being presentable

Source: Own elaboration based on various documents

This form of sharing or collaborative economy has several advantages for workers. Firstly, it provides an atmosphere that encourages social interaction, giving them the opportunity to meet interesting people, potential partners, future collaborators and technical experts; moreover, the emotional intelligence is increased just by working together. Workers can benefit from a friendly and collaborative environment to foster their innovation and creativity (Schiff Lonoff, 2014).

In addition, co-working allows impoverished start-ups to have a workplace (e.g. a desk). Freelancers and professionals can work in a dynamic environment at a relatively low cost. Costs are significantly lower than those of a small office. In some cases, these spaces also work as accelerators for exciting start-ups. There are also some disadvantages; in fact, co-working spaces are not as quiet as private offices and interruptions can always happen.

Reselling and Trading

Reselling and trading refer to forms of sharing or collaborative economy that use popular market places for goods, such as eBay, Craigslist and Kidizen. Sellers can obtain value from things that they do not use and buyers obtain goods at a lower cost. People can sell anything on eBay by just setting up an account, taking some pictures of the item and listing it. Another user can find the item, bid for it and buy it directly. There are other popular online auction sites where users can sell peer-to-peer (eBid.net, webstore.com,

onlineauction.com, ePier.com). The difference among these sites is the listing fees (the prices paid to sell something). Examples of reselling and trading platforms are the following:

- eBay¹⁰ is a multinational e-commerce corporation, that operates to facilitate online transactions for consumer-to-consumer and business-to-consumer sales
- Craigslist¹¹ is a classified advertisements website that includes sections for personal ads, housing, jobs, gigs, resumes, for sale, items wanted, services, and discussion forums. It started out as a small email list by Newmark, who had just moved to San Francisco.
- Kidizen¹² is an online marketplace for used children's toys and clothing.

Table 5. Essential elements of reselling and trading.

Reselling and trading platforms	Benefits	Weaknesses
eBay	-Save money and time	-Delivery delays
Craigslist		
Kidizen	-Save fuel and energy	-Costs and returns
eBid.net		
webstore.com	-Wide choice and price comparison	-Taxes and duties
onlineauction.com		
ePier.com	-Availability	-Buying more than needed

Source: Own elaboration based on various documents

Dozens of e-commerce business owners share the major advantages and disadvantages of selling via Amazon, eBay, Etsy (Botsman & Rogers, 2010). Prices are usually cheaper on the web because there are no warehouse or staff costs. It is more convenient because people can sell at home, quickly and at a convenient time.

In online shopping, there is a wide choice of products from all around the world, some of which cannot usually be found in traditional outlets. Furthermore, it is possible to easily check prices and compare them with other sites with just a few clicks. Another benefit is the availability; most Internet sites offer delivery within a few days.

¹⁰ <http://www.ebay.com/>

¹¹ <https://www.craigslist.org/about/?lang=en&cc=gb>

¹² <https://www.kidizen.com/>

There are also some disadvantages to online reselling. Customers can experience delivery delays, since some sites still use traditional carriers. Sometimes taxes and duties for goods outside the European Community are expensive and the goods are not as cheap as they seem. Also, returning a purchase can have an added cost. Finally, there is the risk of shopping addiction. It is very easy to buy and spend more than intended.

5. Sharing or collaborative economy and technological implications

There is no doubt that the development of information technologies alongside the growth of Web 2.0 has enabled the development of online platforms that promote user-generated content, sharing, and collaboration. The collaborative economy itself is being considered as an innovation which, partially supported by technological platforms, has the potential to transform the performance of the market economy. In this case, we are talking about the collaborative economy mediated by digital platforms that emerged in the late 1990s and the early years of the 20th century. Meanwhile, the term sharing or collaborative economy has been used by scholars to describe the growing phenomenon of citizens freely sharing skills and knowledge in collaborative online endeavours such as Wikipedia and open source software development (Martin, 2016). It is also accepted that various instances of sharing and collaborative economy also share the characteristics of online collaboration, online sharing, social commerce and some form of underlying ideology, such as a collective purpose, a common good and community participation.

Such participation in the community is achieved through the disposition assured through technology. The role of trust in the sharing or collaborative economy extends these debates. Trust remains important but is built through technology. In practice, such trust involves the construction of an online profile based on a 'verified ID', which includes both connection to (online) social networks and scanning of an official ID. A further dimension is added through the accumulation of profile reviews visible to other participants.

Technology is a key driver and booster of the sharing or collaborative economy. Such a change would not have been possible without the development of the Internet, mobile devices and digital platforms that facilitate individual access to many services and play an intermediary role in linking the supplier and the user of these services. The use of these technological advances has probably also been reinforced by the parallel development of social networks – themselves helped by technological innovation. These networks, by developing the notion of communities, have encouraged the development of relationships and interactions specific to these communities; they have established them as full actors in the economic field. New needs and new demands specific to these communities have appeared, as they have gradually revealed and imposed themselves in their capacity to act as stakeholders, in prescribing trends, and as lobbyists, particularly through the use of evaluation systems. Finally, advances in technology have also played a role in the growth of the sharing or collaborative economy by allowing paperless financial transactions (online or mobile payment systems) to develop hand in hand with the rise of e-commerce and digital platforms; they allow ordinary individuals to achieve modest peer-to-peer economic transactions, sometimes single. (ECORL Economy Co-responsibility Learning, 2016)

The advances in technologies, that have pushed the collaborative economy, are basically three (Owyang, 2013):

- **Social Networking:** Social networking facilitates peer-to-peer transactions by matching up supply and demand. These features help build trust between buyers and sellers.
- **Mobile Devices and Platforms:** Many start-ups in the Collaborative Economy are mobile-driven. The rise of smartphone adoption means that customers can increasingly offer or locate goods and services anytime, anywhere.
- **Payment Systems:** E-commerce and payment platforms are required to broker transactions between buyers and sellers. Yet there are also examples of gifting or swapping that do not require a monetary exchange — but depend instead on digital reputation. In the future, expect new forms of value to include non-traditional currencies like Bitcoin; or new forms of measurement that account for resale or multiple users in the total cost of ownership.

In general, we can consider that technological progress has eliminated or at least reduced many of the failures – informational asymmetries, transaction costs, externalities, etc. – that justified the public regulation of certain sectors, thus causing many of the limitations imposed on activities related to the sector to become disproportionate – unnecessary – and, therefore, unlawful. New satellite navigation systems (GPS), for example, have rendered unnecessary or at least excessive the legal requirement to gain accreditation, through an official examination, by showing that one has detailed knowledge of the streets of a city to provide the corresponding transport services. The imposition of administrative controls aimed at ensuring the quality of certain services or goods has also ceased to be justified, since users can better evaluate and control that quality. Often, telematics devices that allow users to exchange information on goods and services (rating systems) reduce existing informational asymmetries more effectively than the traditional mechanism, in which an administrative agency checks if the bidders meet certain requirements before such services are rendered. The explanation is quite simple: the information generated by the participants in the market is sometimes much more robust and reliable than the one produced through the authorization procedure. First, because these subjects, unlike an administrative agency, have real first-hand information; they evaluate, for example, the quality of the services they have actually received, and not those that others could hypothetically receive in the future. Second, because users make multiple and constant observations, while administrative control is inevitably occasional and sporadic. In addition, the opinions of other users (or entrepreneurs) may be more valuable to users (or entrepreneurs) than those of public agents, because their respective points of view and interests are closer in the first case than in the second.

Europe faces technological challenges in the framework of the Digital Single Market Strategy. The Commission announced a comprehensive assessment of the role of platforms, including those of the sharing or collaborative economy, and online intermediaries, covering issues such as (i) transparency e.g. in search results (ii) platforms' usage of the information they collect, (iii) relations between platforms and users, (iv) constraints on the ability of individuals and businesses to move from one platform to another, and (v) how best to tackle illegal content on the Internet.

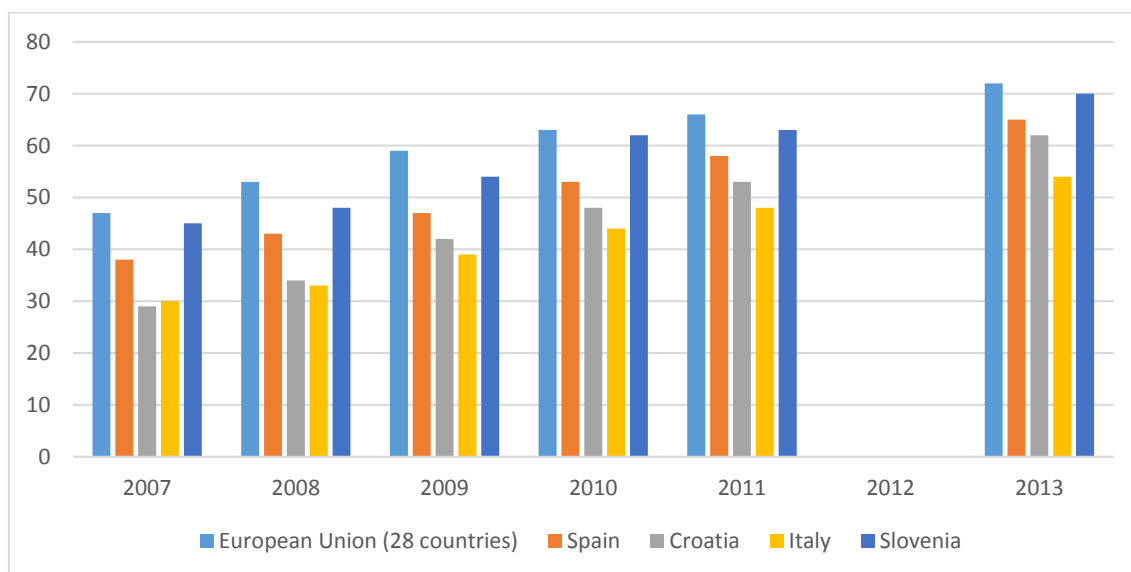


Figure 4. Percentage of individuals with Internet access at home.

Source: Eurostat

As stated by the Staff Working Document *Online Platforms* [Com (2016) 288], Europe has the potential to be a leading digital player in the world, benefiting from a well-developed digital infrastructure and a well-educated population that increasingly uses the Internet, combined with a culture of creativity and innovation, as well as a solid industrial base. The EU has a strong competitive position, with many of the Member States ranking high in the technological readiness index – i.e. economies that can easily adopt existing technologies to enhance the productivity of their industries. Europe has the highest percentage of individuals using the Internet worldwide, with over 77% of the population - significantly above the world average. This translates into a strong European performance in key digital market indicators such as percentage of e-commerce in total retail sales, social media usage or the overall size of the app economy. E-commerce has experienced substantial growth in recent years. A total of 34 EU companies made around 17.5% of their turnover from electronic sales in 2015, an increase of 2.5% compared to 2014.

The percentage of EU enterprises that have Internet access and use fixed or mobile broadband Internet connections seems to have reached saturation levels in 2016 (at 97 % and 94 %, respectively) with a small increase (+2 percentage points each) compared to 2012. The share of enterprises with Internet access was similar in most countries. In 2016, 96 % or more of enterprises in 21 out of 28 EU countries reported having internet access. The lowest shares were reported by enterprises in Bulgaria, Greece, Croatia and Romania (91 %, 88 %, 91 % and 84 %, respectively).

For individuals, the countries participating in the open Doors project show a lower accessibility to the Internet at home than the European average. Only Slovenia is close to the European average and Italy is almost 20 points below. If we look at the levels of

use, we can see that the selected countries are again below the European average, but in this case the differences do not reach 10 percentage points and all countries are in the range between 60 and 70%.

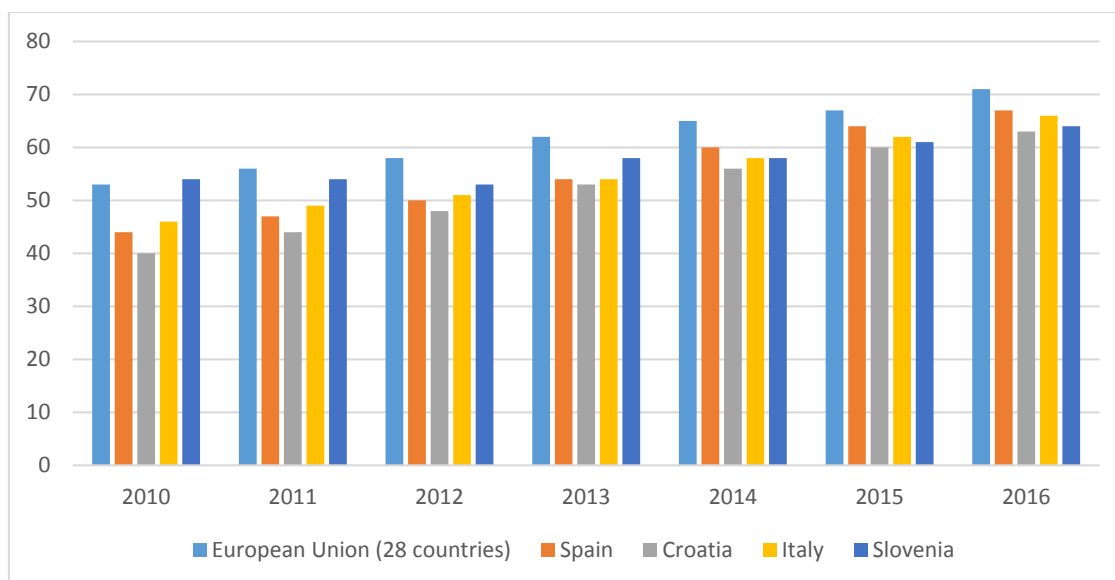


Figure 5. Percentage of individuals accessing Internet daily.

Source: Eurostat

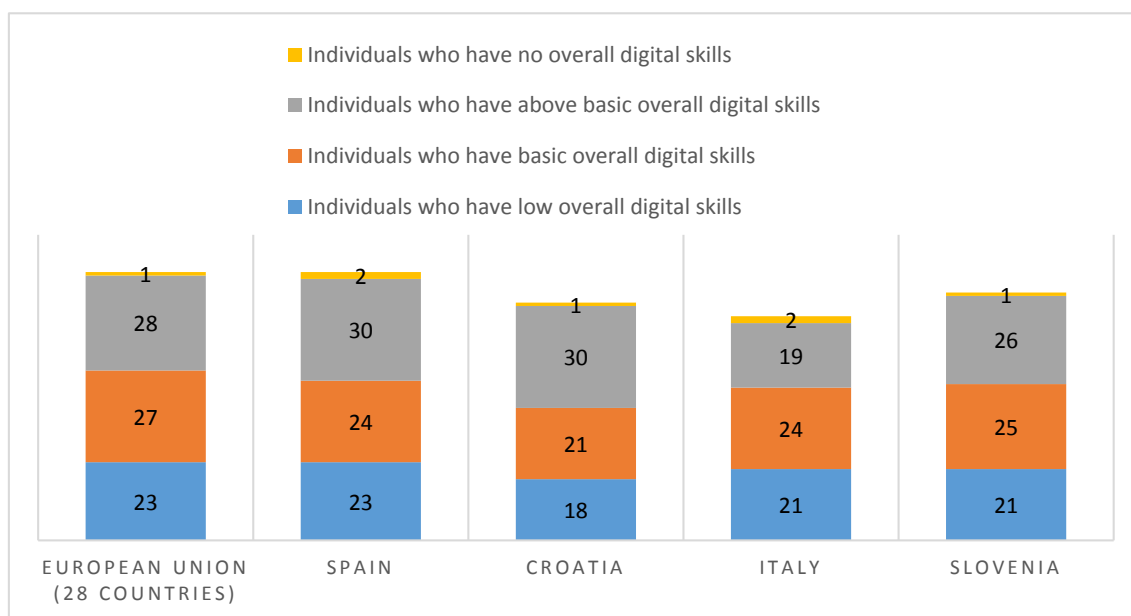


Figure 6. Individual level of digital skills. Percentage of individuals by country.

Source: Eurostat

While Europe is very good at inventing new technologies and digital concepts, it struggles with the commercial exploitation of these ideas, i.e. creating the necessary

aggregates that combine these concepts into a usable form and extracts value from the ideas. A study on the rise of the platform enterprise highlights how out of the total 176 platforms studied, only 25 (or 15%) were European, accounting for just over 4% of market value. The study categorizes online platforms in transaction, innovation, investment and integrated platforms. Europe is absent from the integrated category and present with only one platform in the innovation group. The two categories are particularly important, as these are the types of platforms that attract the most value.

A 2012 Report for the European Commission Joint Research Centre on ICT innovation concludes that the EU is particularly poorly positioned in the area of platform providers. At the same time, the report finds that in ICT ecosystems power has shifted to platform providers and that platforms have significant potential to generate growth. The report highlights that "the lack of a large integrated digital market in Europe and poor capability and skills to commercialize technological innovations" are important impediments for European ICT firms to grow into world leading innovators.

Given the statistics presented above, it could be argued that there are no real technological barriers to the development of the collaborative economy in Europe. Both the basic telecommunications infrastructure and the use by the citizens allow and generate a wide demand and supply for the goods and services of the collaborative economy. Perhaps the only constraint lies in a generational gap. The limits are more in the weak propensity to innovation or entrepreneurship of some European countries, especially in the South.

6. Sharing or collaborative economy and social implications

Although much has been written about the promise of sharing or collaborative economy and its potential benefits, it is a largely under-researched area and relatively little is known about its true impact on the society.

Any given exchange can be considered as a reflection of a power relationship in which relative positions are conditioned by asymmetrical information, inequalities among agents, the capacity to renounce participation in the exchange and the institutional conditions, as well as the values and regulation model. It is true that sharing has been historically practiced inside the family or within small working class or rural communities in the face of growing markets. Although there are some exceptions, people tend not to share with strangers or those outside their social networks. Sharing was confined to trusted individuals such as family members, friends and neighbors. Today's the sharing or collaborative platforms facilitate sharing among people who do not know each other and have no friends or connections in common. This entails a higher degree of risk and for many of these platforms the situations are quite intimate—sharing one's home or car, or eating food prepared by unknown cooks (Frenken & Schor, 2017).

In terms of social transformation, we can state that the emergence of the sharing or collaborative economy as a result of the use of technological platforms, the use of information and the establishment of horizontal reputation mechanisms alters some of the conditions in which the exchanges occur, thus generating economic impacts and effects on power relationships. In other words, it alters the traditional status quo, creating new opportunities. In terms of values, some of the supposed implications of the collaborative economy fit better into the new demand for territorial development models that are fairer, more sustainable and more inclusive and have a lesser impact on the carbon footprint.

Therefore, the sharing or collaborative economy is an opportunity to achieve a more decentralized, sustainable and efficient service provision model based on trust among individuals and the concept of citizen-producer, according to which each individual with access to certain goods can gain extra income by transferring their use and where the key element is trust among equals (Botsman & Rogers, 2010). Lack of trust is, in fact, the main reason for not using digital platforms for 41% of those surveyed at the European level (EUROBAROMETER No 438, 2016).

In this sense, the European Economic and Social Committee has made a distinction between platforms that can satisfy social needs "in non-commercial cases" and those that contribute as a profitable activity to "generate employment following fiscal rules, responsibility and consumer protection". However, it may be more productive to make that distinction focusing not on the platforms but on the use that individuals and professionals make of them: a use motivated by profit or a use motivated by the need to economize.

The sharing or collaborative economy platforms could have a series of positive social implications that in this case have special impact on wealth generation and social innovation. These implications can be summarized in the following points:

- Reduction of consumption costs (income effect) and increase of supply and quality of the service: Economic theory states that the appearance of new competitors increases service supplies quantitatively and qualitatively, improving productivity, increasing the innovation promoted by competitors and reducing prices for consumers. This last point was confirmed by 33% of those surveyed at the European level, which identified the free-of-charge nature or the fact that they allow cheaper exchanges than those conducted via traditional operators as one of the main benefits of digital platforms (EUROBAROMETER No 438, 2016).
- Internet platforms make stranger sharing more desirable, thereby extending an existing practice to a larger social scale. On some platforms, strangers meet face-to-face after a matching process, and from such face-to-face meetings new social ties are thought to emerge. To the extent that sharing peers also create meaningful contacts, sharing practices increase social mixing (Frenken & Schor, 2017).
- Transparency, more trust in communities and less informational asymmetries. This also applies to public administrations in relation to taxes. The greater amount of information and accessibility provided by the collaborative economy platforms in comparison with traditional operators, coupled with the supplier and demander evaluation and reputation system – where it is citizen and not an administrative organism that evaluates each user- reduces informational asymmetries while at the same time increasing and promoting trust within communities (EUROPEAN PARLIAMENT, 2016), with a strong component of cooperation and mutual trust among equals (Ranchordas, 2015). Additionally, the ease of access and use of these applications by anyone with an Internet connection make transactions easier and more viable, where before they were more complicated, residual or required greater efforts in terms of either administration or infrastructures. At the same time, the operational logic of platforms where everything is recorded digitally constitutes an opportunity to improve supervision of fiscal obligations instead of an open door to fraud.
- Decentralization of supplies, work opportunities and exchange of services. Practically any supplier or demander of services that can be retained using collaborative platforms can reap economic benefits, either obtaining direct economic gain (if the service is provided in exchange for remuneration), saving money by reducing the costs of consumption or use of a service (for example, sharing transport costs) or obtaining an indirect economic gain based on the provision of a service in exchange for the promise that said service will be returned in the future in the same quantity and quality according to the principles of *do ut des and facio ut facias* (I give you so you'll give me; I'll do for you so that you do for me), in a way similar to that of the time banks. In some

- cases, such as tourist accommodation, the economic gain can be as high as that perceived through work in the traditional economy.
- Rationalization and use of under-used goods and services. One of the distinguishing features of digital platforms is that they help individuals give under-used goods or resources a more efficient use, allowing their owners to obtain an economic gain or save money through the transfer of their use and enjoyment. In addition, the one-time or short-term use that many individuals make of these goods and services – along with the change of values from owning to enjoying – means that the use and enjoyment alone provides more incentive than the actual purchase. It is precisely from this perspective – possession instead of ownership in the provision of goods and services – that the collaborative economy platforms operate. For example, even though Uber does not own any vehicles and Airbnb does not own any properties, these two economic operators are the largest providers of transport and accommodation services in the world.
 - Ecological sustainability and transport rationalization. This aspect can be particularly observed in relation to the platforms that allow users to share the costs of road transport, where the more efficient use of vehicles generates less pollution and lower traffic density. Nevertheless, transport platforms whose aim is not to share costs but to make a profit can cause an increase in traffic density, as there will be more vehicles waiting for possible customers.
 - Innovation, new ways of consuming and generation of supply according to demand. Another one of the implications of many of the collaborative economy platforms is a significant change in the ways of consuming and providing certain services. This change has been so great that it has even led to completely new ways of consuming. For example, sharing the costs of road transport, a complicated process practiced by a minority before the emergence of these platforms, has become widespread and increasingly commonplace¹³. Immediacy and ease of access, combined with a constant flux of information and feedback between users and platforms, make it possible to create and constantly adapt the supply to citizens' needs and demands in any given time and place.

Alongside the positive social implications described above, we can also identify a series of negative social implications that can be grouped in the following points:

- Apparent lack of control due to a lack of administrative supervision. Since activities are carried out digitally and are based on the direct interaction between demanders and suppliers, the exchanges often take place without

¹³ An indirect effect of the collaborative economy is the opening (or reopening) of debates related to the (un) justified existence in certain sectors of entry barriers and hyper-regulated markets. A very clear example is the conflict between transport for profit applications like Uber and the taxi sector across Europe, where the emergence and disruptive effect of the platform has made some question whether the existence of a limited number of taxi licenses is justified or is part of an outdated regulation that benefits traditional operators and harms consumers.

administrative supervision. In these cases, supervision can be especially difficult, as it depends on the suppliers' cooperation. This can create the perception that these platforms, their operation and their users are not subjected to control and can bypass regulation, which could mean an illegitimate competitive advantage over the providers that do abide by the rules.

- Unfulfillment of fiscal obligations. In addition to the previous section, one of the risks attached to the provision of services through digital platforms is the ease with which the supplier for profit can avoid the fulfillment of its fiscal obligations and evade taxes. Another controversial but legally settled aspect is the fact that digital platforms pay taxes for their mediation service in the country where the parent company is registered and not where said service is provided. In this sense, the European Union has ruled that companies registered in countries outside the EU carrying out cross-border operations need to pay taxes for benefits reaped in each EU country.
- Casualization of the labour market and "Gig economy". In addition to the unfulfillment of fiscal and administrative obligations, a second negative aspect worth highlighting is the risk of labour market casualization and the loss of workers' social rights. This is enabled, once again, by the difficulty or absence of administrative supervision and the great imbalance of forces and power that certain platforms have towards the end suppliers of services, which allows them to abuse their position. Suppliers can equally take advantage of this lack of supervision, because not fulfilling their labour and administrative obligations reduces the cost of the service, thus generating an illegitimate competitive advantage in detriment of the providers that operate legally in the traditional market. In the case of platforms like Uber, it is necessary ascertain whether the drivers that provide the service are self-employed or employed by the platform. This last definition has been used by most courts in different countries.
- There are externalities, as third parties may experience losses as the two parties transact. This is especially problematic when it comes to house sharing, with neighbors experiencing nuisances and feeling ill at ease about the presence of strangers. Some neighborhoods have attempted to stop the growth of home sharing in tourist cities like Amsterdam, Barcelona, Berlin, New York and Paris. In response, municipalities are tightening their regulations towards home sharing platforms
- Damages to traditional suppliers and social unrest. As we have seen, a new competitor using digital platforms can obtain an illegitimate competitive advantage by violating the rules, which will allow them to offer the same service at a lower cost. Sometimes, this illegitimate advantage is achieved by violating not only fiscal and labour regulations but also administrative ones, as the supplier starts operating without being granted the corresponding authorization. This situation has sometimes caused social unrest, as the traditional operators suffer the negative consequences of this illegitimate provision of services in terms of a decrease in work and therefore earnings.
- Inconveniences and risks associated with the lower quality of service and consumers' lack of protection. The lack of administrative supervision, both in

terms of requirements and quality, suggests, in principle, that a citizen can retain a service that does not correspond with the expected quality. To make up for this and avoid damaging trust in the platform, the operators of the collaborative economy establish a series of guarantees as well as a reputation system where the demanders that have retained and used (or not, if there has been any problem) a service with a given supplier can evaluate the quality and provision of the service as well as warn other users and the platform about any problems that they may have encountered. In fact, practically all platforms have channels through which users can submit their complaints. The issue is that in these kinds of complaints, the platform tends to become both judge and interested party.

- Gentrification, increase of house prices and habitability crisis. Gentrification is, as we know, an urban process in which a neighborhood or area of a city traditionally inhabited by the popular class slowly deteriorates and starts being populated by migrants and other non-traditional inhabitants, which makes it lose its attractiveness and causes a decrease in both rent and house sale prices. Then, at some point, the neighborhood or area starts being populated by young people and artists who, in conjunction with the intervention of the relevant administration, revitalize it and boost its attractiveness, increasing the house prices to a point that they become unaffordable for the traditional neighbors, who end up being expelled. Although it is true that the gentrification processes and habitability crises (which are already under way, at least in certain neighborhoods of European cities like Berlin, Venice or Barcelona) happen on their own and existed before the emergence of the tourist accommodation platforms, the high profitability and enormous attractiveness of renting an apartment for a day or for weeks at a time online in comparison to the traditional yearly rent is indubitably helping to increase and accelerate these processes.

Sharing or collaborative economy, a change in values?

Although we can conclude that social effects are complex and not necessarily inclusive, what deserves our attention is the gradual cultural and value change that seems to be taking place within the societies of certain Western countries since the end of the economic crisis. This change fits in with the essence of collaborative consumption in as much as it implies a certain communalization of private property and economic transactions. This idea, which started forming before the internet and the emergence of digital platforms, is linked to social and political factors.

The 'sharing' movement emerged as a form of social utopianism out of the broader narrative on the wisdom of the crowds and the creativity of the commons. After the development of 'sharing or collaborative' platforms has taken a more 'commercial turn', disenchantment has fueled growing criticism (Codagnone & Biagi, 2016).

From the point of view of the values, the collaborative economy contains two contradictory discourses. It performs a narrative of collaboration and community to reject stories of the economy as engendering isolation and separation. On the other hand, the label opens a space for critique as the sharing or collaborative economy fails

to act out its role. Whilst articulated through the rhetoric of sharing, this vocabulary might be framed as masking new forms of inequality and polarization of ownership (Richardson, 2015).

Although the alternative and ethical aspect that is so often linked to collaborative economy platforms has a strong marketing component that almost turns it into a paradox when one considers that some of these platforms have a value of thousands of millions of dollars (Richardson, 2015), it is undoubtedly one of the main reasons why many use these platforms, along with the monetary ones. It could even be understood as a form of political expression or participation, or at least a form of economic interaction and consumption of goods and services that is communal and shared as opposed to the capitalist system and the traditional companies associated with the 2008 economic crisis. Therefore, their use implies the vindication of a series of values related to innovation, ethics, ecological sustainability, an alternative lifestyle and others that have already been pointed out in previous sections. The risk that these platforms face is that they might lose users' interest if they start operating like a traditional company.

When trying to contextualize this evolution, it is useful to refer to the sociological studies on modernization and value change carried out by Ronald Inglehart and his team (Inglehart & Welzel, 2005). Briefly, Inglehart's hypothesis, corroborated over decades of sociological studies, is that individuals are ruled by a value scale that starts with materialistic ones (basic vital needs: accommodation, food, health, education...) and goes up to some less-materialistic (intellectual needs: freedoms, environment, development of a personal identity...). As the first group of needs is gradually met, the attention shifts towards the needs included in the second group.

In this sense, using, enjoying and carrying out exchanges without economic transactions attached and participating in what is known as social economy already constitutes an exercise in political participation. Within this logic, activities like staying with someone you have contacted through applications like CouchSurfing or travelling from one city to another sharing car and transport costs using BlaBlaCar or Amovens is not only a cheaper and more sustainable form of consumption where the user has the opportunity to socialize with others like him or her, but also constitutes a way of representing their own values and political identity. This differentiates it from traditional forms of consumption and highlights users' choice of alternative forms where they can enjoy a less standardized and more authentic experience.

In this change of value path, we have to consider some generational aspects. The rise of the sharing or collaborative economy is linked to the younger generation, the digital culture they live in and a sharing mentality that makes them act and consumer goods and services differently. That is why informed and digitally savvy consumers could benefit from lower prices and a broader choice as a result of the sharing or collaborative economy. The providers of the new services that the sharing or collaborative economy has enabled are enjoying new economic opportunities – mainly located in urban areas.

It is also creating a more diversified market, while encompassing more vulnerable consumers with weaker purchasing power (e.g. low-income consumers, long-term unemployed, students).

The appearance of new opportunities to save money or gain extra income has made the behavior of many consumers and suppliers change over the last few years. For example, occasional renting is cheaper than buying a property or renting from a traditional provider such as a hotel or car-rental firm. Peer-to-peer rental schemes provide extra income for owners and can be less costly and more convenient for borrowers. In recent years, this behavior has been reinforced by the economic crisis. In addition, the regions with lower GDP values are more likely to make more use of SE in order to share the costs.

7. Sharing or collaborative economy and territorial implications

The relationships between sharing or collaborative economy and the territory can be examined in different ways. We cannot ignore the fact that the sharing or collaborative economy is also expanding rapidly in other territories. For example, 600 million people were involved in the sharing or collaborative economy in China last year, a surge of 100 million from 2015. Meanwhile, sharing or collaborative economy platforms created 5.85 million jobs, which represent an increase of 850,000.

On the one hand, the technological platforms that articulate these relationships allow for less dependency on the physical dimension of the relationships. The lower dependency deterritorializes the exchanges, while at the same time the building of social capital and a space for shared values, the feeling of a certain sense of identity and even the concept of sustainability that incorporates the use of idle resources mean that somehow these processes need to materialize in a physical space or territory.

A great number of the experiences of s/c economy are designed for a certain territorial scale and many of them are even born as a territorial response to socio-economic challenges, such as combining highly networked physical spaces with new digital technologies and new mediated forms of sharing in order to connect smart technology to justice, solidarity, and sustainability (McLaren & Agyeman, 2015). A strong link has been identified between the collaborative economy and the local dimension and an increasing number of local authorities and governments are already taking active steps to regulate and develop the collaborative economy, focusing on collaborative practices both as the subject of their policies and as an organising principle of new forms of collaborative governance and participatory democracy.

As stated in a recent report approved by the European Parliament, cities have been among the first to react to the collaborative economy, as urban conditions such as population density and physical proximity have favoured a more rapid diffusion of the adoption of collaborative practices, especially in sectors such as transport and accommodation. Positive cases of collaboration between competent local authorities and collaborative platforms have generated good practices such as the provision of professional training to prosumers, insurance schemes or the promotion of increased awareness among users of the possible fiscal and legal obligations.

Although there are no previous experiences in the field of interregional cooperation related to the collaborative economy, the poor economic performance of most of the Mediterranean regions pushes us to consider the collaborative economy as a possible vector of territorial development for these regions based on a “Mediterranean way of innovation”.

The first project that introduced the role of innovation, culture and creativity in the Mediterranean regions in a systematic way the “Sostenuto Project”(Rausell-Köster et al., 2013). The project covered regions included in the “Europe in the Mediterranean (MED)” programme, co-funded by the European Regional Development Fund (ERDF). Following a European Commission decision of 31st October 2006, the MED Programme was devised as a European territorial cooperation programme focused on the previous Medocc and Archimed cooperation areas with the addition of regions of Cyprus and

Slovenia. The regions covered in the MED programme (See Sostenuto, 2012; CreativeMed, 2014a,b) lie in the European Mediterranean basin and include areas from France (Corsica, Languedoc-Roussillon, Provence-Alpes-Côte d'Azur, and Rhône-Alpes), Italy (Abruzzo, Puglia, Basilicata, Calabria, Campania, Emilia-Romagna, Friuli-Venezia Giulia, Lazio, Liguria, Lombardy, Marche, Molise, Umbria, Piedmont, Sardinia, Sicily, Tuscany and Veneto), Portugal (Algarve and Alentejo), Spain (Andalusia, Aragon, Catalonia, the Balearic islands, Murcia, Valencia, Ceuta, and Melilla), the United Kingdom (Gibraltar), Cyprus (the entire country), Greece (the entire country), Malta (the entire country), Slovenia (the entire country) and, since 2013, Croatia (the entire country).

In the Sostenuto Project, the idea of a Mediterranean way of innovation is based on two claims. First, the existence in MED regions of the biggest European cultural repository of artistic heritage, together with cultural and landscape resources, a greater propensity to multiculturalism, and specific models of sociability and lifestyles could be significant endogenous resources for developing cultural and creative activities (facilitating a cultural and heritage-driven economy, rather than one fueled by tech-driven industries as is the case in Central and Northern Europe). Second, the presence of such cultural and creative activities in MED countries might have a regional differential (and greater) effect as drivers of territorial development processes (Lazzeretti, Capone, & Seçilmiş, 2016).

This “wishful thinking” can be understood as a consequence of the coincidence of two facts. First, there was a reactive response to the weakness of the European Mediterranean countries in respect to regional convergence and the fulfilment of the Lisbon goals, with performance worsening after the 2008 economic crisis. The performances of all Mediterranean Portuguese and Spanish regions (excluding Catalonia), the MED area of France, all Central and Southern Italian regions and all of Greece were indeed below, or well below, average in respect to some indicators (European Commission, 2013). Second, research outside the creative industries field supported the possibility of different territorial patterns of innovation (Capello & Camagni, 2013) and the grouping of European regions according to the different ways in which they go through the phases of the innovation process. A “territorial pattern of innovation” results from the combination of contextual conditions and specific modes of performing the different phases of the innovation process. In Capello & Camagni (2013), a particular pattern of innovation is said to apply to most of the Mediterranean regions, such as Central Italy, most of the Spanish regions, Greece, and Portugal (and also to a few non-Mediterranean regions in Slovakia, Poland, Finland and the United Kingdom).

Areas exhibiting such innovation patterns are described as smart, creative and diverse, and characterized by a low degree of local applied knowledge, an internal innovation capacity, a high degree of local competence and creativity and an ability to absorb knowledge and adapt it to local innovation needs. Capello and Camagni (2013) observed that the efficiency level in a “smart and creative diversification area” is linked to the

presence of informal and tacit knowledge embedded in managerial and technical capabilities rather than to the presence of formal knowledge.

In a similar vein, another work, more deductive than quantitative, was that of the European project CreativeMed (2014 a,b). CreativeMed was based on the Sostenuto Project, although it focused more specifically on the relationship between creativity (creative industries and creative class) and innovation, introducing Richard Lewis' model of cultural types. According to the Lewis (1996) model, the European Central and Nordic countries are mostly "linear-active", characterized by being cool, factual, and decisive planners, which according to CreativeMed leads to an innovation model based on the alignment of resources and actors (e.g. Research and Development, highly educated human capital). On the contrary, the European Mediterranean countries are "multi-active", characterized by being warm, emotional, loquacious and impulsive, which leads to an innovation model based on creativity. On this basis, CreativeMed highlighted the existence of a common "Mediterranean Way" of innovation and territorial development, based on collective creativity and a common cultural heritage.

This insight contributed to the definition of a Smart Specialisation Strategy (S3) in the MED regions. This project developed a conceptual model that assumed that because of the depressed environment generated by the economic recession in the MED regions, it was urgent to take advantage of their territorial and cultural capital to design new services and business models that could support the transformation of innovative and creative ideas into better welfare and economic prosperity through entrepreneurship activities. A key hypothesis of CreativeMed is that the MED area has specific innovation needs and potential and that there could be key success factors specific to Mediterranean regions, namely: cultural anchoring, open networked people, innovation mixes, new business models and shared values (See Creative Med Project, 2013).

The sharing or collaborative economy can be understood as a 'new economy', a new way to create wealth and welfare, and a driver for economic and social development. Moreover, it is closely related to sustainable consumption and production. That is, the sharing or collaborative economy may represent the change in the consumer's behaviour, their values, and motivations, as well as the change in the process of making the goods and providing the services, and the waste and pollution resulting from the process (Barber, 2007). Thus, the sharing or collaborative economy is a fast-growing sector that has attracted a great deal of attention in the last few years and has emerged as an alternative supplier of goods and services (Zervas, Proserpio, & Byers, 2017).

Economy and society are changing and the MED regions, just like many other regions in the world, are being affected by the growth of this 'new economy'. According to a survey commissioned by the European Commission (2016), countries like Croatia, Italy Slovenia and Spain (that are the countries involved in the openDOORS partnership), have a very high percentage of people that have used collaborative platforms, compared to the average of respondents of the European Union. In addition, if we compare the MED regions with the non-MED regions of Spain and France, the results are the following. A total of 16% of respondents from Spanish MED regions answered that they had used the services of collaborative platforms at least once, compared to 15% from the Spanish

non-MED regions. The difference is more noticeable in France, where the 42% of French MED regions respondents answered that they had used the services of collaborative platforms at least once, compared to 31% from French non-MED regions.

These results indicate that consumers' behavior can vary depending on the region where they live. Thus, should we think that MED regions have specific features that boost the success of the SE? And if so, how could they take greater advantage of the benefits of the SE?

In MED regions, the 'market' has not always been perceived solely as an exchange space, but also as a place to socialize and interact. In the sharing or collaborative economy, those values stand out and provide a meaningful way to interact with other members of the community. The specific motivations of participants may vary from mainly altruistic to strongly gain-seeking, but social, collaborative, participative, common and global ends are always present in this type of exchanges. Traditionally, people tend to share within their own social networks. However, today's sharing or collaborative platforms facilitate sharing among people who do not know each other and who do not have friends or connections in common. Mazzella et al. (2016) argue that the communicative dimension of the physical Mediterranean market has created a new form of crowd-based capitalism powered by the digital trust grid.

Sharing or collaborative economy and tourism in the MED regions

Another specific feature that characterizes the MED regions is their high degree of specialization in the services sector, particularly in tourism. The Mediterranean regions, if it is considered as a unique area, is by far the largest tourism destination, attracting almost a third of the world's international tourism. Tourism services have traditionally been provided by businesses such as hotels or taxis. However, a growing number of individuals are offering to temporarily share what they own with tourists. The most successful examples of SE are strongly linked with tourism, a very relevant sector for the Med Regions. Barcelona is the third city in Europe by number of rooms and shared apartments in Airbnb and the platforms for collaborative transport and accommodation are most popular in Spain. In this case, not only the MED regions have a specific feature - being specialized in tourism - which boosts the success of the SE, but they can also take advantage of the benefits - transforming sharing or collaborative economy into tourism. Consequently, compared to 331 million arrivals in 2000, EU-28 countries received 457 million international tourists in 2014.

As we have already pointed out, apart from the digital platforms that provide transport services to facilitate savings or generate profit, the second group with the highest number of users, turnover and popularity in Europe are those related to "collaborative tourism" and, more specifically, to short-term tourist accommodation. "Collaborative tourism" can be defined as the production of tourist services among networks of equals (consumer to consumer) who are at the same time producers and users of these services.

In this sector, just like in the transport sector, we observe how a form of exchange that had a collaborative nature, where individuals rented a property or part of it to better

utilise their resources in exchange for an economic gain (consumer to consumer) has slowly transformed as its popularity grew into a permanent and professional form of exchange for profit (business to consumer). This is largely due not only to the boom of new technologies and the importance of Mediterranean countries as a tourist destination, but also to changes in tourist consumption habits that advocate experiences that allow individuals to live the city as a local and not as a mere visitor.

Beyond distorting the original idea of the exchange, this commercialization of “collaborative tourism” implies a series of negative externalities that create a great conflict between digital platforms and the private or professional suppliers of “collaborative” tourist accommodation on one side and the neighbourhood communities and “traditional” tourism on the other. Several authors have already highlighted the risks, irregularities and problems related to the underground economy that these accommodation suppliers and intermediary platforms can encounter.

The popularization of tourist accommodation in private properties from both the demand and the supply sides is forcing European authorities to revisit their legal framework. The existing regulations are not completely in line with the current situation and there is a confluence of competencies where each regulator (national, regional or local) covers parts of the topic. On the other hand, the administration finds it difficult to supervise and control this type of accommodation, because sometimes the services are provided at a very small scale and would therefore be too costly to monitor.

Defining the phenomenon is important, because it is essential to differentiate between those who offer a room in a house with the possibility of cohabitating with the host and where the activity can be a one-off situation designed to save money from those who offer one or several properties on a more professional and permanent basis in order to make a profit. In each of those cases, the legal obligations and requirements are different, because the legal implications, profits and externalities also differ.

Thus, the individual that rents a room in his or her house for a certain number of nights a month and cohabitates with the tourist (consumer to consumer exchange) is a type of rental that will always generate less income and less nuisance for third parties that live in the same building on a permanent and residential basis than the professional (business to consumer exchange) that rents a property or several on a permanent basis without cohabitating with the tourist.

To make such distinctions, it is necessary to analyse the legal framework that regulates visitors, suppliers and tourist accommodation platforms, examining the matter from the five juridical perspectives that are most affected: civil, administrative, fiscal and competition.

All these previous considerations lead us to think that it may be smart to explore a unique and differentiated path to promote the collaborative economy in the Mediterranean regions. This could be the answer to the specific challenges we face in our societies.

8. Sharing or collaborative economy laws and regulations

When it comes to reacting to the sharing or collaborative economy, public policies can pursue three goals (be it through laws or action plans): establish requirements or forbid certain exchanges, facilitate and promote their use or try to respond in a neutral way without generating consequences.

In addition, legislation can adopt five different perspectives to solve the conflict:

1- Regulate the phenomenon of the collaborative economy as a whole. Passing a global framework law that covers the different types of platforms and establishes their basic needs; or establishing a general framework that can be adapted to each platform on a case by case basis (Carballa Smichowski, 2016).

2- Regulate the phenomenon sector by sector through a framework law capable of anticipating and addressing the way exchanges are conducted in that sector, thus enabling liberalization.

3- Modify or introduce certain articles in existing regulations. To clarify and solve a conflict through the use of the law or to ensure consumers' protection (Ranchordas, 2015).

4- Joint regulation through the intervention of public authorities and self-regulating platforms (Cannon & Chung, 2014). When the exchanges of services are conducted at a small scale or within the private sphere. Or where a quantitative threshold (for example, according to monthly income) is introduced to determine when an activity starts being considered professional and is therefore subject to ordinary administrative regulations and obligations.

5- Without public intervention or regulation. Self-regulation and *laissez-faire* complemented by court rulings. The conflict, which is not considered juridical and therefore does not require legislative response, can be solved by modifying the administration's control and supervision procedures or by allowing the affected parties to take the cases to court. Regulatory intervention hinders the development of the collaborative economy (M. Cohen & Sundararajan, 2015).

After the in-depth analysis, the legislative policy will determine whether the phenomenon is regulated as a whole, whether sectoral legislation needs to be adapted or whether non-intervention is the most suitable option.

Once the phenomenon has been analysed in-depth, there are proposals regarding public policies that can be implemented and according to the political criteria of the most protectionist/interventionist or more liberal/market-oriented legislator, it will be time to determine whether the phenomenon requires a comprehensive or sectoral legislative response or whether the best solution is to advocate non-regulation (establishing – or not – spaces for collaboration in certain areas where administration and platforms meet). Also, the fact that in some sectors there is one or a few platforms that operate and control the market means that the law might have to be formulated *ad hoc* according to the way these platforms operate.

However, some platforms have started to cooperate in different ways with public administrations, for example charging guests and then paying tourism fees to local authorities. It is also true that the ease with which administrative obligations can be bypassed, increases the profitability and attractiveness of these types of services. Sometimes, the way these platforms operate allows providers to find demanders and perform their services without proper licenses.

These considerations aside, the new business models generated by the collaborative economy need to respect labour rights and fulfil their fiscal obligations, which prevents further development of the underground economy and requires appropriate regulation (Carballa Smichowski, 2016). The provision of services in the underground economy is very common in this sector, something that needs to be urgently addressed regardless of when and how new regulations are implemented.

As for taxation, platforms are companies and therefore have to pay corporate taxes on the gains obtained either by providing a service directly or by mediating and attracting demanders for suppliers to whom they can then transfer the VAT. End suppliers, on their part, have to pay taxes for the gains obtained through income (individuals) or corporate tax (companies).

In terms of suppliers' labour rights, and regardless of the regulation of a special labour relationship, it is urgent that they are respected and complied with. Also, there are questions regarding what happens in the provision of services (for example, offerors of partial housing accommodation) that generate an income which is low but still high enough to survive. These services might be the providers' only source of income and not only a complementary source, which means that it constitutes their main activity. However, these providers cannot be penalised if they have not registered as self-employed, since their income is lower than the minimum wage.

To prevent or reduce the underground economy, it seems appropriate for the different regulatory levels of each member state to establish -as certain local entities and European regions have already done- minimum thresholds whereby individual service providers are exempt from obtaining licenses or paying taxes as long as their economic gains do not surpass a certain level. On the other hand, it is essential to boost trust between public administrations and digital platforms so that the exchange of information is fluid and make operators require suppliers to comply with labour, fiscal and administrative obligations to avoid sanctions or expulsion.

Similarly, it is necessary to guarantee the security and quality of the services, as well as the users' right to complain. It is also vital to ascertain to what extent administrations and platforms can guarantee or contribute to guarantee the security and quality of private or professional suppliers, private demanders and third parties (neighbours, drivers) that might be affected by these business models. It also seems important that, apart from being able to enjoy a service of the expected quantity and quality, users are informed of the steps they need to follow if they are dissatisfied with the service. Currently, the platforms seem to be complying with this procedure because they have a vested interest in gaining the trust of their users, their main asset.

In brief, the sharing or collaborative economy is an opportunity to provide services in a cheaper, more decentralized and more sustainable way based on trust and the figure of the citizen-producer. However, it requires platforms and suppliers to respect labour rights and fiscal obligations. The rise of these kinds of business models, based on the Internet and trust among citizens, seems unstoppable, as it implies a more decentralized and more democratic way of providing services in which any individual acts both as a strict and well-informed consumer and a potential supplier of goods and services.

Uncertainty and labour casualization, along with the need to reduce costs and achieve greater profitability from the goods we have at our disposal and the need to fulfil fiscal obligations are the two greatest regulatory challenges faced by the member countries of the EU. Also, the possibility of exchanging goods and services in a decentralized manner that is based on trust among equals and dispenses with administrative supervision and control authorities makes us question whether the regulations and entry barriers that exist in certain sectors might be anachronical and unjustified.

It is true that social changes always come before legislators. However, the current moment seems an opportunity to approach the phenomenon from the point of view of legislation and implement forms of cooperation among individuals, platforms and administrations that allow society as a whole to benefit from the job and innovation opportunities generated by the collaborative economy.

The economic, environmental and social effects of the sharing or collaborative economy will depend most importantly on institutional changes still to come. Institutions do not only regulate activities on sharing or collaborative platforms, but also shape the future development of the socio-technical infrastructure that emerges as the sharing or collaborative economy scales up (Frenken & Schor, 2017).

Since its inception, the EU has been in favour of the collaborative economy. In “A European Agenda For The Collaborative Economy” (European Commission, 2016), the Commission refers to the benefits that digital platforms can bring to Europe, highlighting the importance of ensuring that these platforms guarantee “fair working conditions” and remembering that they are also subject to “fiscal regulations”. In fact, Neelie Kroes, Vice-president of the European Commission and European Commissioner for Competition between 2004 and 2009, has said that the emergence of digital platforms is an unstoppable process that means greater economic efficiency, adding that going against them is a mistake. Many authors have concluded that the current regulatory framework is not fit for purpose (e.g. e-Commerce Directive). Codagnone underlies that there is a debate between proponents of self-regulation who argue that formal regulation is costly and serves to protect vested interests, and the proponents of extending the reach of formal regulation to P2P platforms in order to correct market failures that private parties cannot overcome on their own. The regulatory debate and the policy response to the challenges posed by some sharing or collaborative economy platforms is very fragmented in the EU (Codagnone & Biagi, 2016). Thus, the question that arises is how and to what extent EU rules apply to the collaborative economy and whether the impact of EU law is to increase or, on the contrary, to decrease legal certainty in this field. It is certain that the EU could, through harmonization or otherwise,

override national disparities and help create an internal market for collaborative economy (Hatzopoulos & Roma, 2017)

Placing the phenomenon of the collaborative economy in a legal framework is an obviously difficult process due to its diversity, heterogeneity and propensity for change. The platforms are constantly adapting their operation according to their social uses and the regulations of each European country, as well as their evolution. The maxim of any legislative process according to which laws always lag behind social changes is even more patent in relation to the phenomenon of the collaborative economy. In addition, the fact that it adapts very quickly is extremely flexible and does not need administration means that public supervision is limited and slow to act.

Platforms can be categorized according to their implementation and number of users; their commercial orientation; their operation and whether they act as intermediaries or they provide the service directly, etc. Since they adapt to social uses and the legal framework, the same platform can operate differently depending on the country.

Also, the logic according to which a few platforms can control a whole market sector can facilitate oligopoly-like actions (EUROPEAN PARLIAMENT, 2016), which means that the collaborative economy has the potential to bring harm -and not benefits- to citizens. Since each platform is different from the next and the possibilities for the development of collaborative practices seem endless – from providing a transport service similar to a taxi to turning your house into a small hostel-, the difficulties related to their regulation increase (Ranchordas, 2015).

The collaborative economy is an extremely diverse phenomenon, from the operation of digital platforms managed by global for-profit companies (such as Uber or Airbnb) to the development of sharing and collaboration activities carried out within small communities in which the main purpose is to meet the socialization needs of its members and in which money is not present (e.g., time banks). Many of these new form of collaboration, much like old ones such as hitchhiking, have not been subject to legal regulation. This lack of interference from the law has left the regulation of certain personal relations to morals or social uses. However, since some of the activities previously developed in this area have acquired a substantially different dimension as a result of social and technological changes, the question that arises is whether they should now be legally regulated. Before delimiting how both spheres must be altered to adjust them to the new circumstances, we intend to analyse whether at least certain aspects of these activities should now be disciplined by law and, if so, why, to what extent, and how. We also envisage including the study of the role that social norms and so-called self-regulation should play.

In any case, before regulating the collaborative economy platforms, it is necessary to establish to what extent they are the cause or manifestation of a problem, especially in relation to liberalization, city gentrification and underground economy. As regards sector liberalization, the EU has seen how the emergence of the collaborative economy has brought into question the existence of entry barriers in certain hyper regulated sectors affected by these platforms. The way in which some of these platforms operate

does not fit into an illegal situation or legal loophole. In some cases, there is a clear violation of administrative, fiscal or labour regulations that at the same time constitutes an unfair competitive advantage that violates unfair competition regulations, which means that the service provided by the platform does not comply with the law.

Despite these possible regulatory violations, the emergence of certain platforms and the disruptive effects of this phenomenon in general bring back to the table a series of debates around the (un) justified existence in many European countries of strict regulations and great entry barriers that hinder the activities of new suppliers, hyper-protecting the existing ones and harming, at least in theory, the quality and choice of service available to consumers and users.

Just like in any other regulatory process, before passing a new regulation it is essential to conduct an in-depth analysis of each sector from the point of view of both economics and public policies. However, we do not have sufficient knowledge and analytical tools in the current state of the collaborative economy. This task is made even more difficult by the lack of transparency with which many of these platforms operate as well as their heterogeneity, which make them adapt according to the social uses and the legal framework of each country.

Thus, there is a series of questions that arise in relation to their operation: whether the platform acts as an intermediary or provides the service directly; to what extent is an individual saving money or carrying out an economic activity; what are the responsibilities and obligations of each party involved, etc. We do not have enough information regarding the real economic impact and disruptive effect of these platforms and we cannot yet ascertain whether the positive and negative externalities we intuit are supported by data.

As Munkoe (Munkøe, 2017) points out, the regulatory challenges focus on several major issues:

- Employees or contractors: One important question to resolve is whether sharing or collaborative economy service providers are to be considered employees of the sharing or collaborative platforms or independent contractors.
- Business entities or private individuals: If sharing or collaborative economy providers are to be considered as independent contractors, we must in turn ask whether and under what conditions they should be considered business entities rather than simply private individuals.
- Contractual relationship. Another range of questions arise concerning the nature of the contractual relationship entered into when somebody uses a sharing or collaborative economy platform and the liabilities and obligations that stem from the nature of the relationship for both the platform and the service provider.
- Insurance. A further issue raised by the advent of the sharing or collaborative economy relates to the matter of insurance.
- Taxation. Another major political issue with regards to sharing or collaborative platforms is that of taxation. Income from sharing services should be declared

- and taxed, but one may well speculate that income accrued from sharing or collaborative economy platforms in reality largely escapes the attention of tax authorities, as service providers choose not to report it.
- Externalities. On top of these difficulties and the legal uncertainties resulting from the sharing or collaborative economy, there are also concerns regarding negative externalities. For instance, home-sharing leads to a regular flow of new people moving into a neighbourhood or apartment block, which can create a sense of estrangement and make permanent residents uneasy

The rule that regulates the operation of online companies and the provision of services in the information society, Directive 2000/31/CE, needs to be updated because it is obvious that when it was passed in the year 2000, no-one predicted the enormous impact of the Internet and the new technologies or the conflict sparked by the emergence of the digital platforms from 2008 (EUROPEAN PARLIAMENT, 2016). The directive seems to allow platforms to leave their users unsupervised. In section one of Article 15, the directive states that member States cannot force service suppliers in the information society to “actively look for” acts that imply illegal activities. However, according to section two of that same article, the platforms can be compelled to communicate knowledge of alleged illegal activities to the authorities. This situation does not seem entirely appropriate, especially considering that a large part of the attractiveness that the services offered by digital platforms hold for users lie on the significantly lower prices in comparison to a service of the same quantity and quality retained via a traditional system. In many cases, this reduction is due, as we have already pointed out, to the violation of fiscal, labour and administrative obligations on the part of the suppliers, who can easily evade taxes, disregard labour rights and bypass the administrative requirements without being expelled from the system or being subjected to administrative control.

Therefore, the regulatory conflict acquires special importance in cases where digital platforms provide services in an irregular or illegal manner (where they do not hold an administrative license whether it is a legal requirement or not; or where there is a regulatory loophole); or where, not being irregular or illegal, the platform plays a role of “necessary collaborator” of the end supplier of the service, whose activity is indeed illegal or at the very least irregular. This is, once again, the case of Uber in the transport sector and Airbnb in the tourist accommodation sector. When drivers or users of these platforms cause harm (be it due to reckless driving or negligence in an accident or by committing a crime), it is necessary to determine what are the responsibilities of the intermediary (digital platform) and the end supplier (individual offeror). Therefore, the EU and its member states face two main regulatory challenges:

On one hand, the collaborative economy brings back the debate around the justification or elimination of entry barriers and the liberalization of certain economic sectors (such as the taxi sector). This topic, extensively studied by the EU, needs to be updated with the analysis of the disruptive effect created by the emergence of these collaborative platforms before a new regulation is passed.

On the other hand, the collaborative economy has brought forth a way of exchanging and providing services that was previously unknown and therefore needs to be analysed in depth. Since this is an enormously complex task, it is essential to differentiate between the uses that suppliers make of these platforms, whether they are intended to generate savings or profit.

9. Regulation in the European openDOORS countries

In response to the growing importance of the sharing or collaborative economy, several European member states have looked for normative regulation of the sharing or collaborative economy. In the following section examples of normative regulations of some different European countries: Italy, Spain Croatia and Slovenia are described.

Croatia

In Croatia, the government of the Republic of Croatia accepted, on the 30th of April 2015, the Strategy for the Development of Social Entrepreneurship 2015 – 2020 that represents a focal point for all interested stakeholders wishing to form any organization. The legal forms of social enterprises can be: limited liability public company, limited liability private company, institutions cooperative, associations, foundations, credit union and mutual insurance company. Various activities are performed within these social enterprises such as cultural, intellectual, tourism, production, agriculture, etc. The work towards social enterprises development are complemented further by state institutions contributing to the development of public policies such as the Ministry of Social Policy and Youth, the Ministry of Labour and Pension System, the Ministry of Business and Trade and the Government Office for Cooperation with NGOs. Regarding sharing or collaborative economy related to transportation, Uber officially arrived in Croatia October, 2015. In this country, Uber had not problems related to bureaucracy and perceived resistance from local taxi services, by working diligently to make its service legal in Croatia. UberPop, a service that allows owns a car to be an Uber driver, is not available in the country and it is illegal. UberX instead which only employs licensed drivers is legal.

Italy

Italy is the country that has the major number of users and people aware of what is the so-called sharing or collaborative economy. The development of the sharing or collaborative economy activities and projects, inspired by the collaborative economy principles, is a task of the “Sharing Italy” - an Italian Sharing Economy Association (AISE) founded in 2014. The AISE offers several services for educating enterprises and workers to the use and diffusion of sharing or collaborative economy solutions. At normative level in March 2016, the Innovation Parliamentary Intergroup is negotiating the “Sharing Economy Act” (Act 3564), which is intended to regulate the phenomenon comprehensively through common rules to all platforms that will be required to operate with transparency, fulfil their fiscal obligations, comply with the competition regulations and ensure consumers’ protection. The basic idea of this law proposal is “to share goods and services, but in some cases it has become a real business, which has to be regulated in order to protect the already existing sectors in the market”. This law proposal states that all platforms have to sign up to a sharing or collaborative economy registry and provide documents for the AGCM’s (competition authority) approval. Another key point is the introduction of tax rates. Article 5.1 of this bill states that the incomes up to 10 thousand euros will be named as “non-professional income deriving from sharing or

collaborative economy” and will be taxed at a 10% rate. Incomes over € 10,000 will be cumulated to autonomous or dependent working incomes, and will be taxed according to the relative tax rate. These quotas will be payed to the authorities as taxes. This allows a distinction between amateur and professional operators respecting the criteria suggested by the EU Commission. In Italy, there was a strong and intense debate on the Uber application, which led to a sentence of the Milan Tribunal affirming the illegality of UberPop. UberPop is not officially legal and it is considered not enough safe for users. Uber services have been criticized by regular taxi drivers due to a highly increased competitiveness. Rules in Italy establish that “Uber taxi drivers cannot stand in the streets and take random passengers looking for a lift, but they have to wait in arranged areas and agree by phone for the service, before taking them in the car”. In June 2017 the Italian Government approved the DL 50/2017 that introduces a taxation on the digital intermediation in order to counteract the tax evasion, mainly in sectors such as temporary rent.

Slovenia

The normative regulation in Slovenia presents different problems for sharing or collaborative economy services mainly with respect to the tourist accommodations. A number of Slovenian laws regulating tourist accommodations are adverse to the Airbnb idea of offering accommodations to travellers. In particular, the major problems Slovenian providers are facing through Airbnb are the registration of activity and taxable rents. A proposal for modernisation of regulations suggest a simpler registration of apartments, electronic registration of guests, and electronic payment of tourist taxes, plus suspension of the time limit of five months a year (<http://www.rtvlo.si/news-in-english/airbnb-in-slovenia-when-rigid-rules-hinder-occasional-business/360416>). The first response of the Ministries (Economy, Interior, Finance and Public Administration) to their initiative is encouraging. They are all in favour of the solutions which would facilitate this activity through Airbnb. On considering Uber, it wants to launch two services in the Slovenian: Uber Ljubljana the first in the world to offer rides in electric cars, and UberX, the most common service in Europe. However, the country has to update its legislation before Uber come to Slovenia. In fact, the existing one does not support Uber's business model and the Infrastructure Ministry is changing the road transport act. European Commission's recommendations on sharing or collaborative economy will be taken into account when drafting the changes. According to Uber's Central and Eastern Europe director Rob Khazzam in Slovenia, only licensed drivers who will pass Uber's training will be able to drive for the company. Users will call a ride via its platform with the app will calculate the cost of the ride and payments will be made with a card to prevent tax avoidance.

Spain

In Spain, on one hand, the regulatory response to the phenomenon from each level of administration (national, regional, local) is proving to be slow and reactionary. New articles are being added to pre-existing regulations that protect the traditional service

suppliers in favour of the suppliers of the new digital platforms. An association of sharing or collaborative economy companies has been established “Sharing España”, composed by 26 members including international ones such as BlaBlaCar and Airbnb, and also local initiatives such as SocialCar and Chicfy. The current normative regulation of the sharing or collaborative economy is determined by law 5/2011 of 29 March on Social Economy that establishes “a common legal framework for all entities in the social economy determining building measures for them”. In December 2014, Uber has been banned nationally and is now trying to re-enter the Spanish market by working with drivers who carry a valid professional VTC license. In 2015, Blablacar was sued by bus companies that claimed that its drivers should be considered as commercial enterprises. In 2015 it is of major importance also the law 43 of the 9 October, which regulates the organizations of Third Sector of Social Action considered as the interlocutor with the central government. The law defines “building measures those public authorities can take on their behalf”. In March 2016, the Spanish regulator (CNMC) published preliminary results of a study on collaborative economy that recommend eliminating some “unnecessary restrictions” such as “unnecessary or disproportionate quality and security requirements” limiting the development of the collaborative economy. Some important eliminations concern: “limits on the total number of vehicles, restrictions on the territory covered by the licenses, the introduction of disproportionate amounts of compulsory insurance coverage, compulsory working hours, limited numbers of licenses per person, a ban on having different drivers per license, the need for an administrative authorisation for hired car with driver activities, and prohibitions for looking for clients in the streets”. Concerning the vacation rental sector the elimination of limits concern “the prohibition on renting permanent residences or single rooms, the use of a moratorium to postpone the introduction of new apartments, the obligation to include the apartments in a registry, a minimum and a maximum number of days for renting, and limits according to the type and location of the apartment” According to the document, a users’ reputation is very important in the sharing or collaborative economy, in fact it allows reducing the asymmetric information between the company and the customer. For this reason, heavy regulations for taxis and hotels are not needed.

The position of the European Parliament

In the recently approved report on a European Agenda for the collaborative economy, two main questions arise with regards to the regulatory framework: 1.) which provisions of the *Acquis Communautaire* may be applied to the collaborative economy; 2.) whether existing EU rules are fit for purpose to provide the needed clarity, empowerment and protection for different actors within the collaborative economy.

As the existing EU legal framework was designed to regulate conventional businesses and to protect rights of consumers as the vulnerable party in a business transaction, difficulties come up. Questions about the rights and obligations of different actors within the collaborative economy arise and create an environment of uncertainty. This uncertainty relates to a number of aspects - the applicable EU regulatory framework,

regulatory obligations for different actors within the collaborative economy, consumer rights, liability regime, status of workers, and tax regime - to name the key ones.

[The European Parliament] recognises that many rules from EU acquires are already applicable to the collaborative economy; calls on the Commission to assess the need to further develop an EU legal framework in order to prevent further fragmentation of the Single Market in line with better regulation principles and Member States' experiences; believes that this framework should be harmonised, where appropriate, as well as flexible, technologically neutral and future proof and should consist of a combination of general principles and specific rules, in addition to any sector-specific regulation that might be needed; And the report emphasises the importance of coherent legislation in order to guarantee the proper functioning of the internal market for all, and calls on the Commission to safeguard current rules and legislation on workers' and consumer rights before introducing new legislation which could fragmentise the internal market;

10. The Current Situation in European OPENDOORS countries

Generally, it remains very difficult to quantify the economic contribution of the sharing or collaborative economy. A study performed by the European Commission (Dervojeda, K., Verzijl, D., Nagtegaal, F., Lengton, M., Rouwmaat, E., Monfardini, E., & Frideres, 2013) estimated that the revenue generated by the sharing or collaborative economy for individuals who use it to supplement their income totalled US\$3.5 billion worldwide in 2013. The turnover of this economic sector is estimated at €20 billion and, according to the European Commission, the market for the sharing or collaborative economy could eventually reach US\$110 billion (Goudin, 2016). These numbers show that this type of economy is experiencing an unprecedented growth at an incredible speed.

This growth could explain the establishment of the *EUROPEAN COLLABORATIVE ECONOMY FORUM* in 2016, with a lobbying budget of between 25000€ and 50000€. The forum is a business association that aims to “help innovative tech companies find a voice to policymakers”. Associations like SHARINGESPAÑA¹⁴ or SHARINGITALY¹⁵ have also been set up in Spain and Italy, respectively.

The Current Situation in Croatia

The sharing or collaborative economy in the Republic of Croatia tends to be based on the rental economy. The root causes of the phenomenon can be found in the traditional orientation of the Croatian economy towards tourism. The Tourism sector contributes to almost 20% of Croatian GDP. If we observe the structure of tourist accommodation establishments, we will immediately be able to reach a conclusion as to why Croatians started getting involved in the sharing process. Almost 50% of permanent beds are registered in private accommodation (rooms, apartments, villas with swimming pool). Renters wanted to achieve a high occupancy rate and relying only on traditional travel agencies was no longer sustainable. Croatian small travel agencies started to lose their market share due to the boost of large strong intermediaries and the growth of the sharing or collaborative economy supply.(ECORL Economy Co-responsibility Learning, 2016)

Carpooling services are the most relevant examples of collaborative economy in Croatia. There are several applications to join fellow travellers and it is difficult to say whether the strongest reason for their use is the price or a desire for adventure and new acquaintances. The most popular carpooling platforms in Croatia are:

¹⁴ Sharing España is a collective born within the Spanish Association of the Digital Economy (Adigital) that groups different companies of the collaborative economy on the demand and access sides with the objective of analyzing and disseminating the impact that these new economies and platform-based models have on socio-economic development and sustainability.

¹⁵ The Italian Sharing Economy Association (AISE), also called Sharing Italy, was founded in 2014 with the aim to foster the development of “sharing economy” activities and projects inspired by the collaborative economy principles. Its components and representatives are professionals and experts in the field of communication, media and digital technology.

- **Ajmo.hr** is the newest transport sharing or collaborative platform in Croatia. It was initiated by a group of 17 students and individuals from Croatia, Slovenia, Serbia, Montenegro, Bosnia and Herzegovina and Macedonia. The service is free, the founders having no intention to monetize it at present, and very easy to use.
- **Oglasnik prijevoza** is a carpooling service that currently has more than 60,000 users. *Oglasnik prijevoza* develops services as an upgrade to existing Facebook groups to facilitate customer service-oriented ad search. The largest Facebook group incorporated in *Oglasnik prijevoza* is "Need/offer transport", followed by several smaller groups about specific relations. When users submit ads in any of the groups, the ad is automatically transferred to *Oglasnik prijevoza*, which offers the possibility of carrying out a categorized search. In the last two years, *Oglasnik prijevoza* has processed over 120,000 ads with a daily range between 500 and 1500 views. The idea is that people want a service that is fully integrated with Facebook, their comfort zone. The service draws key information from Facebook written ads, such as the starting point, destination, date of travel, and date of return, number of vacancies and price, which allows it to filter the ads. There is also the possibility of connecting travellers following different routes (for example, if you are travelling on a smaller route that is part of a larger one).
- **BlaBlaCar** was introduced in the spring of 2015 and Croatia is currently the fastest growing country in the CEE region, mostly attributed to the fact that *BlaBlaCar* has excellent Android and iOS apps and according to all statistics, the Croatian market is among the most mobile, not only in the region but in the whole of Europe. The average age of Croatian *BlaBlaCar* members is 34 years, which shows that this type of service is no longer only used by students. More than 1.6 million kilometres in long-distance journeys 60,000 vacancies in cars were the result of *BlaBlaCar*'s first year of operation in Croatia. The figures from their business model show that the costs of owning a car, fuel and tolls in Croatia are almost level with those in Western European countries while the average income is lower, so carpooling seems to be a logical and pragmatic choice for Croats. The survey conducted among customers showed that people use *BlaBlaCar* for one of these four reasons: saving, sharing their own resources with others, good company and responsible behaviour towards the environment. The recent introduction of an online booking has helped shared transportation become as reliable as trains and buses. Cancellation rate has fallen from the initial 35% to less than 3%. Average journey for the Croatian members of *BlaBlaCar* is 299 kilometres long and the three most popular routes are Pazin-Zagreb, Rijeka-Zagreb and Split-Zagreb. In comparison with other countries where *BlaBlaCar* is present, there are no commissions for booking transport in Croatia, so the service is still completely free.
- **Uber**, present in Croatia from the fall of 2001, is the most used collaborative economy service in the country. In their first two weeks in Zagreb, they attracted about 8,000 new users, upsetting the traditional taxi services market in the process. Initially, *Uber* provided their services only in Zagreb. However, they are

now expanding to Dubrovnik and Split, two hotspots of tourist traffic. The *Uber* fares are 20 to 25 percent cheaper than those of the standard taxi. Currently, *Uber* has over a thousand drivers in Croatia (mostly in Zagreb) serving more than 100,000 registered users. On the other hand, there are about 1,200 taxi drivers in Zagreb. Last year, they reported an increase in both turnover and revenue. These figures show that *Uber* is creating an entirely new market. Analyses have shown that those who use *Uber* the most are not those who previously used a taxi but those who drove their own cars.

Other examples of collaborative economy in different market niches in Croatia:

- CouchSurfing*** (free exchange of accommodation) is the longest-standing example of collaborative economy in Croatia. It has 10, 000 members, mostly located in bigger cities, and the majority of them are women. The main source of income for *CouchSurfing* in Croatia is premium services (transportation services, food services and content creation services offered to premium members).
- Food-sharing*** is currently kicking off in Croatia. Surplus food from households is given to people with lower social status as a solidarity exchange. Users connect on social networks to arrange the delivery of agricultural products, the exchange of goods and so on. Due to the growing demand for organic food, a number of small fairs called *Mali plac* have started to pop up. In these small mobile marketplaces, you can find products offered by small family farms that usually have difficulties in placing their products on the market because of the complicated certification process. In the last three years, this organization, based on the idea of solidarity between consumers and producers, has led to the establishment of 15 food-sharing groups across the Croatian territory.
- Milo za drago*** is a project funded by the European Social Fund and the state budget based on the non-monetary exchange of goods and services (commodity trade). Those who have surpluses - from clothing to books - can bring them to a weekend fair usually held in Zagreb and occasionally in other cities in Croatia. Some of the organizations that participate in such a model of collaborative economy also offer free education, exchange of experiences and skills or free sports activities for children.
- Home Exchange*** is a very popular global portal that also operates in Croatia. The idea is to find a house that you like in a place you would want to visit, contact the owner(s) and ask them to swap for a weekend, a month or more. Although the exchange itself is free, members have to pay a fee of 39.99 HRK (around 6 EUR) per month.
- Airbnb*** penetrated the Croatian market in late 2014 and immediately attracted the attention of private renters, because it takes the lowest commission in the market (3%) and requires no contractual relations. Airbnb currently has around 51,000 listings from Croatia, including private houses, apartments and flats. The number of visitors who booked an accommodation in Croatia through Airbnb last

year grew by more than 175 % (mostly from British, German, French and American markets). In the opposite direction, the growth reached 133%.

Currently running collaborative platforms in Croatia:

- **Clothing.** The platforms on clothing in Croatia are: MojeKrpice.hr, Bazzar.hr.
- **Life.** Thumbtack, a global platform also running in Croatia.
- **Food.** Platform for restaurant to customer connection: Dobri restorani.
- **Culture.** Platforms for cultural events tickets: Ulaznice.hr, Eventim.
- **Training.** Oblak Znanja, a knowledge-sharing platform.
- **Work and services for the people.** The skill-sharing platform for repairmen Moj Majstor.
- **Exchange of consumer goods.** These platforms connect people in order to exchange, rent and sell consumer goods. There are currently two platforms: Mali plac and Milo za drago.
- **Sport.** In Croatia, there is one portal for sport services and information: Rezultati.hr.
- **Transportation.** The transportation sector includes 22 platforms, Ajmo.hr, Oglasnik prijevoza, BlaBlaCar and Uber among them.
- **Tourism.** The tourism sector includes several collaborative platforms that provide 17 different kinds of services: Airbnb, Trivago, Uniline, Booking, Apartmani-Hrvatska.com, MojSMjestaj.hr, Apartmanija.hr, Smjestaj.hr, Adriatic.hr, HrvatskaApartmani.hr, Privatni-Smjestaj-Hrvatska.com.hr, GdjeNaMore.com, Vip-apartmani.hr, TravelAdriatic.net, Adrialin.hr, Infoadriatic.com, Njuskalo.hr

The Current situation in Italy

According to a report published by the University of Pavia(Canova & Migliavacca, 2016), the sharing or collaborative economy in Italy is worth 3.5 billion euros and is expected to grow considerably in the next ten years. The study represents the very first attempt to analyse the impacts and trends of the sharing or collaborative economy in the country. The study provides three different growth projections of the sharing or collaborative economy up to 2020 and 2025.

1. Baseline scenario: in 2020, the value of the sharing or collaborative economy would reach 8.8 billion euros; in 2025, it would exceed 14.1 billion euros.
2. Sharing boost: in 2020, the value of the sharing or collaborative economy would reach 10.2 billion euros; in 2025, it would exceed 19.4 billion euros.
3. Digital disruption: in 2020, the value of the sharing or collaborative economy would reach 10.5 billion euros; in 2025, it would exceed 25.1 billion euros.

Another study on collaborative platforms in Italy was carried out to capture the characteristics of the services that were active in 2015 (Maineri, 2016). The 118 platforms surveyed were divided into 12 sectors:

- **Clothing.** The platforms specialised in clothing are Depop, Babybrum and Mysecretredressing Room.
- **Accommodation.** The services closely related to this area are CasaNoi, Materest e Vicini di casa.
- **Food.** This is a particularly dynamic sector. There are 11 services that can be classified into three kinds of services: "social eating", which includes platforms by which non-professional chefs make dinners for private citizens (BonAppetour, Gnammo, Kitchenparty, PeopleCooks, Vizeat, Homefood); the preparation of takeaway food (Mamau, Mychefhome); and the platforms that promote the exchange of surplus food or products (Ifoodshare, Scambiacibo, Nextdoorhelp).
- **Culture.** In the field of culture, there are currently 10 services: book exchange (Comprovendolibri, Green Books Club), online libraries (Appboosha, Biblioshare, SuperFred), the planning of theatrical performances (Teatroxcasa, Openculture Altas), holidays in artists' houses (MyHomeGallery), ad hoc movie shows (Movieday) and writing in the community (Intertwine).
- **Training.** There are 6 knowledge-sharing platforms: Teach4learn, Docsity, Oilproject, Linguorum and Bed&Learn.
- **Work.** The platforms included in this group promote skill-sharing. In Italy, there are 9: Chimiconsigli, Gli Affidabili, Makeitapp, Minijob, Solvercity, Tabbid, Upwork, Croquer and Timerepublik.
- **Services for the people.** These platforms are 9 and they offer specific services that meet increasingly generalized needs: Le cicogne, Mystarsitter, Oltretata, Sitterlandia, Animali alla pari, Holidog, Petsharing e Petme, Fluentify.
- **Services for enterprises.** The platforms that offer services for enterprises are 6: Whataspace, Ufficio temporaneo, Oxway, Thinkalize, Zooppa and Appsquare.
- **Exchange of consumer goods.** There are 18 platforms that connect people in order to exchange, rent and sell consumer goods. They BarattoFacile, Cose inutili, E-barty, Permute, Permuteonline, Persoperperso, Reoose, Soloscambio, Svendere, Zerorelativo, Kijiji, Secondamano, Ebay, Subito, LocLoc, Sharing it! and Useit.
- **Sport.** There are 4 sport-related services in Italy: GoKick, Fubles, Sportilia and We-sport.
- **Transportation.** The transportation sector includes 22 platforms: Autoincomune, Autostrade Carpooling, Avacar, Blablacar, Drivebook, Flootta, iGoOn, JoJob, Roadsharing, Viaggiansieme, Clacsoon, Letz-go, Mooca, Scooterino, Strappo, Parksharing e Sparkyclub, CanGo, TocTocbox, YouPony and Scambiotreno.
- **Tourism.** The tourism sector includes several collaborative platforms that provide 17 services: Airbnb, Tripwell, BedyCasa, Guestoguest, Homelink, Nightswapping, Scambiocasa, Curioseety, GoCambio, Guidemeright, Native Cicerone, PiacereMilano, Tourango, Zestrip, StanbyMi, Sailsquare and BarattoB&B.

Maineri (2016) underlined that during 2015 there was a significant improvement in the number of platforms in the largest part of sectors, but the novelty is represented by

the platforms on Culture (with a 9% in the universe of the platforms on the sharing or collaborative economy) and this is particularly important mainly for the approach of proposing and consuming culture (mainly in a country with about 50% of the total of the cultural heritage assets available at national level).

In the 2016, the number of platforms available on the sharing or collaborative economy was increased to 200 (collaboriamo.org, 2016). Since all the services listed above are very young, the market is still somewhat immature. Exchanges and users are not sufficient to ensure economic returns and the investment they need to grow. The economic impact, as well as the investment in marketing, is still irrelevant. Although it is now easier to find credit, most entrepreneurs continue to invest their own capital and time, especially in the initial stages. The difficulty in finding funding for growth is, in fact, a strong constraint that prevents platforms from structuring and investing in marketing and therefore finding new users and increasing their business. Adding to this is the fact that business entrepreneurs are launching services while maintaining their usual jobs, thus reducing the risks associated with the failure of the new business. That also means that they have to find the time and energy to grow their platforms in terms of users and revenues.

The goal of engaging in social ventures, generating innovations and imagining sustainable lifestyles is a trait that characterizes different platforms, as evidenced by the experiments that many of them are introducing into their business models and beyond. These new platforms are particularly popular in sectors such as transport, where service proliferation is being promoted despite the presence of major international players such as Uber and Blablacar. The difference between these new platforms and the great foreigners is not so much in what they offer, but in the business model they refer to. In fact, while offering services that largely match those of the great foreigners, they are implementing new business models (Maineri, 2016).

The Current Situation in Slovenia

As with other new and innovative models, Slovenia has been slow to adopt the collaborative economy model. Despite having ample opportunities in terms of local products and produce and a high percentage of the population with higher education, which is commonly a contributor to scientific and social breakthroughs, Slovenia finds itself in the bottom third of the EU28 average in awareness and use of collaborative economy platforms. The lack of fragmentation in terms of specific regulated or political regions (even though dialectal and/or GDP-contributing regions are distinguishable and prominent) and the country's apparent reluctance to adopt new approaches nationwide have resulted in nearly uniform results regarding the presence and awareness of collaborative economic models.

This paper elaborates on the country's general awareness of the existence of collaborative economy platforms, their presence in the market, as well as the frequency of use of collaborative economy vessels by the general population. Statistical data is

sourced from the Eurobarometer Report on the use of Collaborative Economy¹⁶ of June 2016, and from one of the few Slovenian surveys on collaborative economy, conducted as part of a Master's thesis at the Doba Faculty of Applied Business and Social Studies Maribor¹⁷. Somewhat surprisingly, the differences between these surveys are far from negligible. Despite almost identical sample sizes (n=505 and n=538, respectively), the attitude of respondents in the Slovenian survey was far more positive than in the Eurobarometer. However, the Eurobarometer also polled the respondents on their awareness of the existence and frequency of use of collaborative platforms, while the Slovenian survey focused solely on the respondents' attitude towards the collaborative economy in terms of eligible types of products and services.

For the purposes of this paper, a distinction will be made between domestic and international collaborative economy platforms available in the Slovenian market, as it is our opinion that the awareness of new models presenting a shift, or at least an addition, in terms of traditional economic models is best represented in the sample of domestic providers.

International providers, be it in the traditional or novelty economic sector, may somewhat distort the statistics on the awareness of the general population, as they have multiple advertisements, sales and other channels at their disposal that makes their reach wider in comparison with smaller local providers. However, international providers will by no means be discarded from the analysis, as the surveys on which these summaries are based did not distinguish between local and domestic providers, which make it necessary to observe both as comprehensive units of analysis.

We can roughly divide domestic collaborative economy platforms into 3 categories: automotive (P2P transportation), food (exchange of local produce) and other products. Sharing services are generally less represented in the traditional meaning of service. However, some of the platforms that correspond with the outlined division may be regarded as a product-service combination.

The best-known and most frequently used domestic collaborative economy platform is definitely the ride-sharing platform *prevozi.org*. Users of the platform can either offer an available seat in a vehicle they are driving or look for an available seat in a car driven by others, depending on their preferred destination. The platform is frequented by students and daily commuters, but also by people looking for a one-off ride to a certain destination, as the service presents a much more affordable alternative even to public transportation, let alone a personal vehicle.

Another well-known and innovative platform is the platform for the exchange of local produce called *Zelemenjava*. The aim of the platform is to provide local food growers

¹⁶ Flash Eurobarometer 438, Survey conducted by TNS Political & Social at the request of the European Commission, Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs

¹⁷ Kralj, R. *Inovativni podjetniški modeli ekonomije delitve v Sloveniji*, Doba Faculty of Applied Business and Social Studies Maribor, 2013.

and gardening enthusiasts with a chance to exchange seeds, plant saplings, recipes, experience and local produce. The platform operates by organizing events across the country and even offers interested parties a chance to organize events by themselves, with the help and branding of the *Zelemenjava* platform.

A similar platform is run by *LETS Zasavje* (Local exchange trading system), the purpose of which is to create a tight-knit community where neighbours are there for one another, and to promote an eco-friendly food production system based on local produce.

If produce and product-based exchange platforms may appear natural in an environment that still values the health benefits of locally produced foods, the next collaborative platform –called *Knjižnica REČI* (Library of Things) – is a novelty concept in the Slovenian environment. The Library is a non-profit sharing platform where users can borrow various kinds of sports and leisure equipment as they would in a normal (i.e. book) library. According to the Library, “[...] in a time where people have less and less money, borrowing instead of buying can help them replace the things they lack. But sharing can have so many other benefits as well [...]”

Perhaps one of the more innovative and interesting platforms available in Slovenia is *Shirting* (a project and clothing model that employs environment-friendly methods and concepts) promotes slow and socially responsible fashion, ethics and transparency, and a personal relationship towards clothing. The platform works as follows: first, a special edition shirt is presented in a public event (launch), with each edition including one or more designers who design a shirt that suits different body types and sizes. The shirt is then given to the first wearer who wears it for a specific period of time. The user then contacts the person who will wear the shirt next, and the process repeats itself. The platform gained media recognition mostly due to its innovative approach to fashion.

In terms of transport, the platform that is quickly garnering users and recognition is the car-sharing platform *Avant2go*, which offers short-term car rentals, usually measured in minutes or hours rather than days. The platform is a model example of the sharing or collaborative economy, where the baseline of the platform is access to a service rather than ownership of the vehicle. This allows for better and more efficient use of the shared vehicle, all while making its use much cheaper and available to a broader circle of users. What is more, the platform uses electric cars, which further promotes environmentally-friendly transport.

Another platform that promotes the use of environment-friendly modes of transport is *BicikeLJ*, bicycle-sharing platform of the Municipality of Ljubljana. Since its launch in 2012, the platform, based on a public-private partnership, has been gaining popularity among tourists, but also among the locals.

Naturally, Slovenia is not immune to the presence of international collaborative economy platforms. However, due to the lack of a regulatory framework, and what seems to be a slow reaction of the legislator to the rise of new economic models, international platforms are present only informally. Although the Government appointed a working group entrusted with the task of developing proposals for a comprehensive framework to regulate this new economic model, no laws have been

adopted as of yet. What is more, the Ministry of Infrastructure and the Ministry of Economy have scaled back on their original declaration to regulate the subject as soon as possible and are now saying that legislation on the matter should not be rushed, as the new economic model has not yet been fully understood and tested.

Slovenian users, on the other hand, seem to be quite familiar and well represented on the *AirBnB* platform (registering at around 300 available locations across the country), especially the younger population who often use the platform to look for cheaper accommodation when travelling abroad. However, the majority of Slovenian listings (i.e. available properties in Slovenia registered by Slovenian users) are still published by smaller tourist accommodation providers who rely on the platform as a cheaper alternative to other tourist accommodation sites (e.g. booking.com, expedia.com, etc.).

Another prominent international collaborative platform that has recently made headlines in Slovenia is the transport platform *Uber*, which faced the same reservations and concerns experienced in other countries (e.g. allegations of worker exploitation, protests from professional taxi services, etc.). As of now, the aforementioned lack of a regulatory framework prevents *Uber* from officially entering the Slovenian market, despite ongoing talks between representatives of Uber Technologies Inc. and the Slovenian authorities.

It is important to note that the Slovenian survey predates the Eurobarometer by approximately 2.5 years (Kralj survey conducted January – June 2013, published December 2013; Eurobarometer conducted September 2015 – January 2016, published June 2016). This disparity is important due to the fluid and expansive nature of the collaborative platforms. Considering the fact that the collaborative platforms rely heavily on the Internet, and with the ever-increasing percentage of active internet users (active in the sense of users actually perusing the internet to purchase or satisfy their needs by means of collaborative platforms, rather than just using the internet without the intent of satisfying any needs), the number of platforms available, as well as the recognition and awareness of survey respondents with regards to the platforms, was sure to increase.

The second factor of relevance is the manner of surveying. The Slovenian survey was conducted as an online survey using the Survey Monkey web tool, whereas the Eurobarometer is commonly conducted by specialized Member State firms (in the case of Slovenia, the market research and marketing firm RM Plus d.o.o. from Maribor) and by telephone alone (both landline and mobile). It is reasonable to assume that the results of the direct approach, i.e. by telephone, differ from the online survey because respondents reached by telephone belong to various age groups, some of whom may not be familiar with the concept of collaborative economy platforms at all. On the other hand, respondents who decided to complete the online survey are assumed to be internet-savvy and thus more likely to at least be aware of such platforms, if not already using them. However, the latter is only one of the possible hypotheses that may provide insight into the discrepancy between the results of the online survey and the Eurobarometer.

An online national survey included 538 respondents, aged 16 through 74, who were polled on their attitude towards the developing concept of collaborative economy and collaborative platforms. It is important to note that the respondents were not asked to state whether they had ever heard of or used collaborative platforms, but rather to give their opinion on whether they would be willing to use such platforms, and the types of products or services they would be willing to obtain by means of this method. It is also important to note that the survey was conducted on a sample and should therefore not be applied to the entire population. However, seeing that the Eurobarometer is based on a sample of similar size, we can use both surveys to draw certain parallels and conclusions.

Survey respondents were predominantly supportive and receptive to the idea of sharing or collaborative platforms, with nearly 60% of them expressing willingness to partake in organized collaborative platforms. This willingness was somewhat higher with the younger population (16 through 34). However, other age groups were receptive of the concept as well. Products and services identified by survey respondents as most appropriate for a sharing or collaborative platform include various types of tools and equipment (gardening, automotive, sports and leisure), storage and other space, teaching and day-care services, pet-sitting, gardening, ride sharing, etc. – all in all, services and products similar to those now provided in Slovenia (see Point 1.1). The respondents felt that sharing and collaboration is an efficient cost-saving device, promotes an environment-friendly way of life, and reduces the storage required for various products, as they are shared rather than owned. The respondents also expressed a strong preference for structured platforms, albeit not in the traditional (corporate) sense, selecting social enterprises and local/neighbourhood communities as the most appropriate organizational units. Finally, the respondents were aware that a modern platform requires modern dissemination channels, selecting mobile phones and the internet as the preferred means for spreading the platforms, followed by the more traditional local fairs and permanent outlets (commercial space).

Based on the Slovenian online survey, it would not be unreasonable to assume that the attitude of survey respondents towards the growing collaborative economy model would translate to similar levels of awareness and frequency of use of collaborative platforms. However, according to Eurobarometer, 87% of survey respondents have never used these services, whereas an astounding 68% of respondents have never even heard of these platforms. From the pooled sample, only 10% of respondents have used these services/platforms, 8% of whom use the services occasionally (once every few months). Only 1% of respondents has responded that he uses the platforms/services regularly (at least every month). Slovenia is thus one of the five EU28 Member States with the lowest percentage of respondents who stated that they use the services/platforms frequently (along with Malta, Cyprus, Greece and the Czech Republic)¹⁸. Compared to EU28 averages, Slovenia is significantly below average both in

¹⁸ It should be noted that Eurobarometer 438 of June 2016 includes a disclaimer about analysing results from Cyprus and Malta due to the reduced size of the respondent bases (Eurobarometer 438 of June 2016, pg. 16).

terms of awareness (Slovenia: 32%; EU28: 52%) and frequency of use (Slovenia: 10%; EU28: 17%)¹⁹.

The disparity between the Slovenian online survey and Eurobarometer seems somewhat incongruous, given the willingness of respondents to use collaborative platforms noted in the first survey. One of the underlying reasons for the low frequency of use may be the respondent's reluctance to trust the service provider or seller (an answer given by 35% of respondents who have heard of or visited collaborative platforms). However, this reluctance does not explain the general lack of awareness of these platforms indicated by respondents.

The following is a list of collaborative economy platforms based and operating in Slovenia, broken down by type of product or service it offers and/or sector it belongs to in standard commercial terms. It is imperative to note that the breakdown is provided on a best effort basis, i.e. by grouping similar products and/or services, as the only somewhat comprehensive, state-wide study on the subject matter (Kralj, 2013)²⁰ did not examine the state of affairs of collaborative platforms in practice, but rather polled participants on their opinion regarding products/service most suitable for this type of economy. The following list is thus a combination of the results of the study and our own assessment.

According to Kralj,²¹ study participants regard the following as products/items most suitable for collaborative platforms: equipment and accessories for motorized vehicles, digital media content, print media, camping and outdoors gear, large tools and equipment, garages and other storage facilities, small tools and equipment, sports equipment and hiking gear, and garden and/or arable land.

In terms of services, the following were selected as most suitable for collaborative platforms: tuition/lessons, care for the elderly or people with special needs, occasional transport, pet sitting, housework and home repairs and maintenance.

We divided collaborative platforms currently operational in Slovenia as follows (some of which may overlap with the results of the study):

- **automotive (P2P transportation, car-sharing)**

The best-known and most frequently used domestic collaborative economy platform is definitely the ride-sharing platform *Prevozi* (<https://prevozi.org>), followed by the more recent car-sharing platform *Avant2go* (www.avant2go.com). Even though it is not an automotive platform per se, the public-private bicycle-sharing platform of the Municipality of Ljubljana *BicikeLJ*

¹⁹ "Frequency of use" is an aggregate of the answers "used once", "use occasionally" and "use frequently".

²⁰ Kralj, R. Raziskava o ekonomiji delitve. (2013)

<http://www2.arnes.si/~rkralj3/Raziskava%20o%20ekonomiji%20delitve.pdf>

²¹ *Ibid.* pg. 7-9.

(www.bicikelj.si) deserves a mention under transport-based collaborative platforms as well.

- **Food**

Platform for the exchange of local produce *Zelemenjava* (www.zelemenjava.si), and a similar platform, albeit with an added social note, promoting an eco-friendly food production system based on local produce LETS (Local Exchange Trade System) Zasavje (<http://lets-zasavje.blogspot.si>).

- **Clothing**

Clothing-based platforms in Slovenia include a traditional clothing exchange platform, *Tekstilnica* (www.tekstilnica.si), which offers users a chance to swap clothing they no longer need or use for clothes left by others, and collects old garments and other textile materials with the aim of raising awareness of the proper way to dispose of and reuse/recycle textile materials. Additionally, the platform endeavours to provide employment opportunities for workers in vulnerable age groups (50+), who commonly experience great difficulties in finding a new job.

A different approach to clothes-sharing was adopted by *Shirting* (www.shirting.si), which employs environment-friendly methods and concepts, promotes slow and socially responsible fashion, ethics and transparency, and a personal relationship towards clothing by having different users share a single and unique piece of clothing in predetermined intervals.

- **Culture**

In addition to open doors events organized by a plethora of Slovenian cultural institutions (museums, theatres, etc.), the *Knjigobežnice* ([Knjigobežnice Facebook](https://www.facebook.com/knjigobeznice)) project is an innovative book-sharing platform operating under the take-one-leave-one motto. Users are encouraged to build small wooden houses, similar to birdhouses, and leave books for others to take, enjoy, and return to other “birdhouse” locations across the country. Members of the *Knjigobežnice* team regularly update a map of locations, so users can either find the nearest book location or build their own.

- **Miscellaneous**

Although it is hard to categorize, *Knjižnica REČI* – Library of Things (www.knjiznicareci.si) is the most innovative collaboration-based platform: A novelty concept in the Slovenian environment, the Library is a non-profit sharing platform where users can borrow various kinds of items and equipment, as if borrowed from a normal (i.e. book) library. The list of available items is very similar to what the study participants²² described as products most suitable for sharing, ranging from sports, outdoor and camping equipment, small and large tools, small home appliances, etc.

²² See *supra* (1).

The Current Situation in Spain

In Spain, the collaborative economy became known in the tourism sector between 2012 and 2013 and later expanded to sectors such as transport, financial services and education, with products offered at relatively low price that made them accessible for much of the market. Advanced data from an unpublished research²³ shows that the collaborative economy shares between 1 and 1.4% of the national GDP. The figure - according to the analysis - could double by 2025 to reach between 2 and 2.9%. By sectors, the one with the greatest economic impact is that of buying and selling (37%), a short distance from accommodation (32%), and ahead of transport (13%). These three are, in this same order, the most used. In the global computation, more than half of the population (55%) have used a P2P platform. It should be noted that the study does not consider the platforms themselves to be a part of the collaborative economy. It focuses on the underlying activity that they generate among peers, "which involves the optimization of an underutilized asset with a purpose similar to or different from the one with which it was acquired ". In Europe, on average, over 85% of the value of transactions facilitated by collaborative economy platforms is received by the provider rather than the platform. The revenue models that platforms deploy vary significantly between and even within sectors. Most adopt a fixed or variable commission-based approach, with commissions charged ranging from 1-2% within peer-to-peer lending to up to 20% for ride-sharing services (Daveiro & Vaughan, 2016).

As for user motivations, users emphasize "the ease and accessibility of these platforms versus traditional services". The analysis clarifies to what extent the collaborative activity arises as a substitute or, on the contrary, responds to the generation of new services and therefore creates added value. It also identifies an overall increase in transactions due to the savings derived from the use of collaborative economy platforms.

Even though there are no indicators of economic impact and there have been few surveys regarding use and participation, it is clear that Spain is following the global trend of the collaborative model. Its presence in the public opinion grows every day, as do the number of platforms, the collaborative and user activities, the concern about the role of institutions and regulation, the interest of an increasing number of citizens and the conflicts with certain economic and social sectors.

Scale and participation in Collaborative Economy in Spain

Despite the absence of indicators of the scale of the collaborative economy in Spain, we can infer its growing importance from certain economic data regarding the most used platforms, the first surveys on participation and a list of the collaborative economy platforms that have originated in the country.

²³ The data are based on a survey with more than 3,000 respondents

Following the global trend, the platforms for collaborative accommodation and transport are the most popular in Spain. Barcelona is the third city in Europe by number of rooms and shared apartments in AirBnB (Table 1), while shared interurban trips have increased to around 3 million, according to data from Blablacar Spain. On the other hand, second-hand trade platforms such as Wallapop are the largest in terms of number of users.

As for urban collaborative transport, Spain has been affected by the same controversies sparked by this model in Europe. Uber had very limited success in 2014 and has been banned due to strong opposition from the taxi sector but is still fighting for regulatory changes.

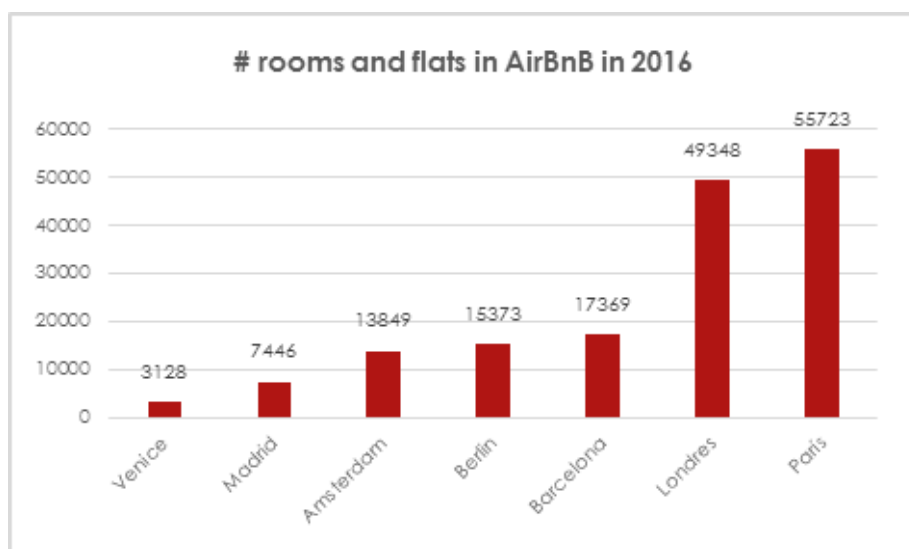


Figure 3: Comparison between AirBnB Barcelona and other cities. Source: insideairbnb.com

According to a survey by the National Commission of Markets and Competition (CNMC), one out of three internet users makes use of collaborative economy platforms, mainly those that facilitate the renting or purchasing of products, followed by those specialised in shared accommodation and interurban journeys by car. (Figure 3).

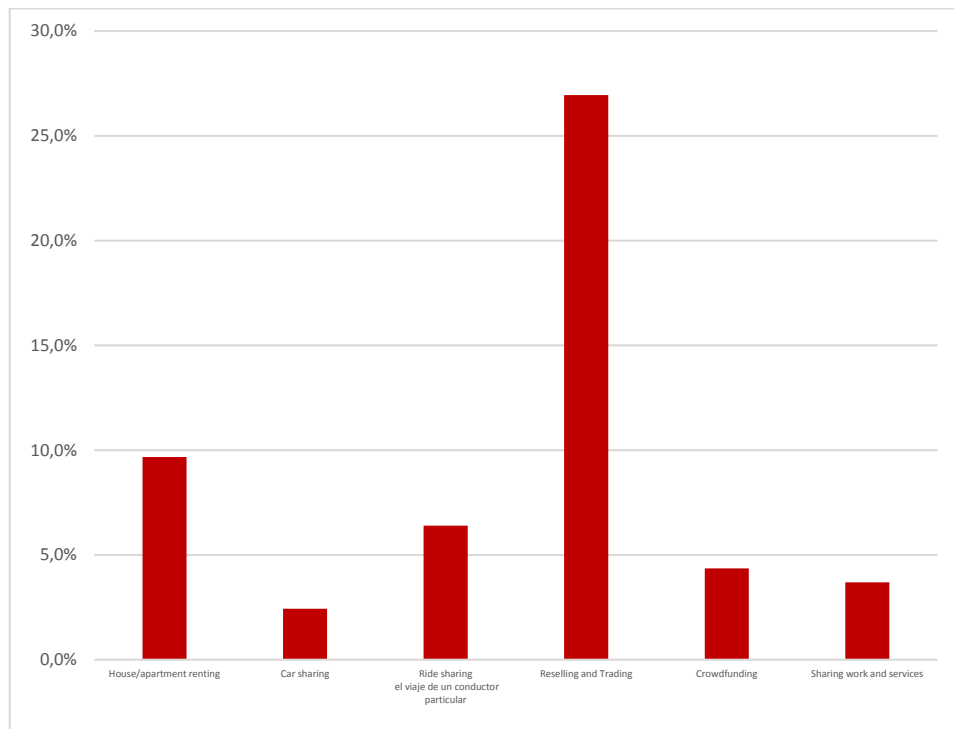


Figure 4. Frequency and type of use of collaborative platforms in Spain. Source: CNMC 2016

On the other hand, according to Eurobarometer 438 of June 2016, 19% of those who took part in the survey in Spain declared that they had used collaborative platforms, a percentage that is slightly higher than the European average of 17% for participation and use of these platforms (European Commission, 2016).

In addition to the large international platforms specialised in accommodation and second-hand trading, Spain also has a number of smaller and more diverse platforms.

In terms of organization, there is Sharing España, which brings together the 30 main collaborative platforms currently operational in Spain and attempts to “analyse and disseminate the effects that the collaborative economy and the ‘peer to peer’ business models have on socio-economic impact, sustainability and growth”. (www.sharingespaña.es)

On the other hand, the website <http://www.consumocolaborativo.es>, whose aim is to disseminate the principles of collaborative consumption, includes a directory of a vast number of platforms grouped by type of service: transport, co-working, tourism, crowdfunding, education, etc.

Among the platforms listed in the directory are:

Wallapop, Relendo, Alterkeys, Spacebee, Trip4Real, Traity, Zank, Tutellus, WeSmartPark, Shippeer, Amovens, Socialcar, Joinuptaxi, AreaVan, Compartir Tren Mesa Ave, Letmespace, Nautal, etece.es, Loanbook.

However, it is important to note that these platforms often have a very unstable life cycle, as they appear and disappear rather quickly and few of them manage to achieve sustainable success.

As mentioned above, the arrival of the collaborative model has sparked controversy and has opened a political debate that has caused confrontations between the traditional sectors affected and those who promote the collaborative economy.

The institutional response to this situation is still unclear. However, there are indications that this response is not homogenous due to the diversity of the territories. In each of them, there is an attempt to include the transformations of the collaborative economy while addressing the issues faced by the sectors affected by these transformations.

The regulation of urban transport and shared accommodation is part of the urban legislation, so each city has the autonomy to apply its own rules. While no Spanish city has accepted Uber, AirBnB is allowed without major restrictions - beyond the need to register the properties with the municipal authorities – albeit with some basic differences between cities.

The PWC (2016: 15) report summarises the main features of the regulation of collaborative economy platforms in Spain:

P2P transport has been the target of regulatory pressure, which resulted in the banning of Uber in 2014. The platform is trying once again to enter the market using drivers with VTC professional licenses. In the case of Blablacar, bus companies have asked for them to be considered as a business but the request has not been granted.

P2P Renting platforms are regulated by each region – Catalonia has been the first to ask for a maximum yearly rent for the apartments, municipal registry and proof that the flats are indeed empty.

Alternative funding platforms believe that regulation in Spain is excessively strict.

In 2016, a study published by the CNMC included a recommendation to eliminate the “unjustified barriers” that are hindering the development of the collaborative economy. (PWC, 2016: 15).

This study shows the stance of the Spanish institutions, whose recommendations to ease regulations sparked a strong controversy that led to internal disagreements. This serves as an indicator of the level of the controversy caused by the introduction of the collaborative model in Spain.

11. Conclusion

The sharing and collaborative economy is a complex concept that appeared at the end of the 20th century and has recently become the subject of a deep social, political and academic debate. The discussions, often very controversial, focus on aspects such as its definition and classification as well as its economic, social, environmental, territorial and political impacts. These debates range from the consideration of the collaborative economy as a new disruptive paradigm that can deeply transform the economic and social model of world capitalism, to the perception that it is a new neoliberal adaptation that puts at risk the working conditions, the protection of consumers and the equality on which the European social model is based.

However, there is no doubt about its growing economic importance. According to recent studies, economic activities linked to the collaborative economy show growth rates much higher than those shown by other economic sectors. Some estimates suggest that the economic value of the collaborative economy could multiply by more than 25 in the coming years, from 14 billion euros in 2014 to more than 315 billion in 2015.

Different Institutions within the European Union have placed the debate about the collaborative economy on the political agenda, highlighting the costs that acting in an uncoordinated manner could have for European citizenship. The outstanding benefits attributed to the sharing and collaborative economy include the fact that it is an economic opportunity, a more sustainable form of consumption, an innovation driver and a pathway to a decentralized, equitable and sustainable economy. As the European Parliament points out, the collaborative economy, if developed in a responsible manner, creates significant opportunities for citizens and consumers, who benefit from enhanced competition, tailored services, increased choice and lower prices. The Parliament also underlines that the growth in this sector is consumer-driven and allows consumers to take a more active role. It adds that the collaborative economy generates new and interesting entrepreneurial opportunities, jobs and growth, and frequently plays an important role in making the economic system not only more efficient, but also socially and environmentally sustainable, allowing for a better allocation of resources and assets that are otherwise under-used, and thus contributing to the transition towards a circular economy.

From this complex and sometimes confusing perspective, the OPEN DOORS cooperation project considers that Mediterranean regions have a strong history, a rich cultural heritage and a social and economic situation where micro enterprises and SMEs, mainly in creative sectors, represent their strength. In this context, there is a need to explore new paradigms of cultural, social and economic innovation.

Although the MED space is characterized by considerable spatial variation in its research and innovation potential, the sharing or collaborative economy is clearly a field of specialization that is common to several regions and may provide a foundation for a transnational innovation strategy (including agriculture, agrifood production and processing, finance, tourism, housing, trade, textile). Sharing or collaborative activities can also be an important lever for activating social innovation in areas such as political participation, urban planning, culture, social services, rural development and the environment.

The philosophy of sharing or collaborating is not far from the modes of sociability and human interaction that have traditionally inspired Mediterranean societies in the face of the more individualistic and competitive model that governs the strict market logic.

To enable creativity and social, cultural and economic innovation through the promotion of the sharing or collaborative economy, we propose the establishment of a formal network. This network will boost the aforementioned processes and help enable the Europe 2020 strategy by addressing a “smart, sustainable and inclusive growth as the future EU paradigm”.

"Smart growth means strengthening knowledge and innovation as drivers of our future growth. This requires improving the quality of our education, strengthening our research performance, promoting innovation and knowledge transfer throughout the Union, making full use of information and communication technologies and ensuring that innovative ideas can be turned into new products and services that create growth, quality jobs and help address European and global societal challenges. But, to succeed, this must be combined with entrepreneurship, finance, and a focus on user needs and market opportunities."

To turn the collaborative economy into an activity that effectively promotes smart specialization, the Open Doors project launches a proposal for an instrumental definition that includes the following aspects:

- The participants of the sharing process have a self-awareness of belonging to a new way of doing things and innovation is at the core of the process.
- Technical Interface through the Internet. The availability of Internet connectivity infrastructures and a certain level of access and digital literacy is a prerequisite for the promotion of the collaborative economy, although there are experiences sharing or collaboration that are not necessarily mediated by digital platforms.
- More or less decentralized peer-to-peer exchanges. In the collaborative economy, the relationship between supply and demand takes place horizontally. Besides that, the mediation between these two elements is just an interface that does not take any risk with the exchange or does not take any advantage of an information asymmetry or from a monopoly position.

- Re-use of or idle assets or resources that are not usually considered as such. Traditional systems of production and consumption imply very high levels of underutilization of certain resources and the overexploitation of others. This notion is linked to the concept of circular economy, a regenerative model based on feedback-rich flows connected to new circular economy business models. The economic advantage lies in designing out waste, enabling access over ownership, using materials in cascading systems and radical resource productivity with the prospect of rebuilding capital and resilience. The use of the sharing or collaborative economy always has an impact on the sustainability of the economic model.
- Value framework. The cases and experiences of the sharing or collaborative economy are somehow embedded in “other values”. The ‘sharing’ discourse and movement emerged as a form of social utopianism out of the broader narrative on the wisdom of the crowds and the creativity of the commons. The goal is not only to maximize individual utility but to achieve some kind of social, collaborative, participated, common and global ends.
- The activities involved imply the building of social capital. The new digital platforms allow the development of the social aspects of the exchange, i.e. the communicative dimension of the physical market in the style of the souk or the Mediterranean market, creating a new form of crowd-based capitalism powered by the digital trust grid.
- Rules are built less through coercive agreements and more through mechanisms of trust and reputation.

This perspective has the ultimate intention of promoting the establishment of a formal Mediterranean network based on the existing innovative and creative communities to address the new global challenge of the sharing or collaborative economy.

In this sense, this report demonstrates that the sharing or collaborative economy can be a driver for economic (business dimension, integrative incomes etc), territorial (subsidiary principle and new available local commodities, i.e. transport, accommodation, which cover gaps in public services) and social (direct participation of civil society) growth.

The document also defines a joint strategy and action plan for offering a mix of innovative services to the creative local communities, enabling them to "open the doors" to new forms of collaborative economy. The established "open DOORS network" will be ready, in the next future, to test the innovative services and develop real and concrete experiences of sharing or collaborative economy.

There are numerous reasons to advise Mediterranean regions to actively engage in the collaborative economy. According to a survey requested by the European Commission (2016), countries like Spain, Italy, Croatia or France have a higher percentage of people

that have used the collaborative platforms, compared to the average of respondents of the European Union.

Technology is a key driver and booster of the sharing or collaborative economy: such a change would not have been possible without the development of the internet, mobile devices and digital platforms. In the Med Regions, there are no real technological barriers to the development of the collaborative economy. Both the telecommunications infrastructures and their use by citizens allow the generation of a wide demand and supply of the goods and services of the collaborative economy. Perhaps the only constraint lies in the generational gap. The greatest limitations can be found in the low propensity towards innovation or entrepreneurship of some European countries, especially those in the South.

However, in MED regions, the 'market' has not always been perceived as a mere exchange space, but also as a place to socialize and interact. In this sense, the sharing or collaborative economy provides a meaningful way to interact with other members of the community. The specific motivations of participants may vary from mainly altruistic to strongly gain-seeking, but social, collaborative, participative, common and global ends are always present in this type of exchanges.

In short, we have enough evidence to think that the sharing or collaborative economy could be an effective driver for socio-economic development in the Med regions.

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Project co-financed by the European
Regional Development Fund



SWOT analysis of Sharing Economy in Mediterranean region

June 2017

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Version history: Version 1.0 (Final)

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1. Introduction

A growing number of platform cooperatives are making their presence known on a global scale. Sharing or collaborative platforms are two-sided networks that enable transactions between people or companies providing and using a service. They can be used for a wide range of services, from renting accommodation and car sharing to small household jobs.

New technology platforms and social tools have enabled more citizens to find new ways of monetising their underutilised assets, providing employment, housing, transportation, food, and improved lifestyles for themselves. Many new Sharing Economy companies have operations in Europe, making the continent an incubator for new business models that create jobs, empower citizens, improve resource efficiency and creates a more sustainable economic development. However, the emergence of the Sharing Economy is not happening without challenges. Innovations face substantial financial constraints and lack institutional support and scale. New comers also struggle with a number of regulatory obstacles that may jeopardise their long-term development. Following document will present strengths, weaknesses, opportunities and threats of Sharing economy concept in Mediterranean region.

2. Collaborative platforms as a basis for sharing economy

European Commission is currently assessing the regulatory framework in which collaborative platforms operate. The first step of this review has been a public consultation on platforms, online intermediaries, data, cloud computing, and the collaborative economy more generally¹ [1]. Some key findings are listed here as a base for SWOT analysis of sharing economy in Mediterranean region.

- More than half of the respondents have heard of collaborative platforms (52%) and around two in ten respondents say that they have used them (17%). In Mediterranean region are even lower – only 45% and 14%.
- Younger and more highly educated respondents who live in more urban areas and who are self-employed or employees are much more likely than the average citizen to be aware of collaborative platforms (63%) and to have used the services of these platforms at least once (32%). This numbers are similar to Mediterranean region – 62% and 34%.
- Over a third of the respondents who have visited collaborative platforms say that they have provided services on these platforms (34%) and 32% in Mediterranean region.
- Almost one in ten respondents who have visited collaborative platforms have provided services on these platforms once (9%), while almost one in five of these respondents offer services via this type of platforms occasionally - once every few months (18%). Finally, one in twenty say that they offer services via these platforms regularly - every month (5%).

2.1. Advantages and disadvantages of collaborative platforms for their users

- At least four in ten respondents (41%) who have heard of or have visited collaborative platforms say that more conveniently organized access to services is one of the main benefits of collaborative platforms for users.
- More than four in ten respondents who have heard of or have visited collaborative platforms say that not knowing who is responsible in the event of a problem is one of

¹ The use of collaborative platforms, Survey requested by the European Commission, Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs and co-ordinated by the Directorate-General for Communication, June 2016

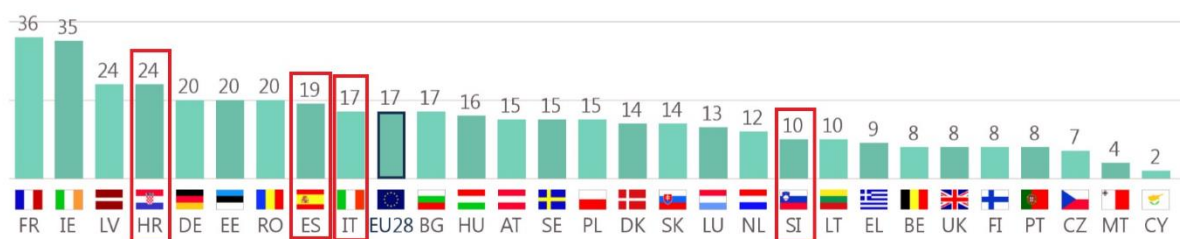
the main disadvantages for people using the services offered on collaborative platforms (41%).

2.2. The use of collaborative platforms

According to Survey requested by the European Commission, Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs and co-ordinated by the Directorate-General for Communication about the use of collaborative platforms from June 2016 (Flash Eurobarometer 438) here will be pointed strengths, weaknesses, opportunities and threats of Sharing economy in Mediterranean region that can be deducted from the report.

At country level, when asked about experience regarding collaborative platforms, Mediterranean countries on average more use these platforms than EU28 average and say that they have been on one or more of these platforms and paid for a service once which is definitely strength of sharing economy in Mediterranean region.

Q1 Which of the following matches your experience regarding this type of platform?
 (% - TOTAL 'USED THE SERVICES')
































When asked to compare sharing economy concepts to traditional economy, more conveniently organized access to services is mentioned significantly less in Mediterranean region than EU28 average; very close to EU28 average is fact that these platforms are cheaper or free. On the other hand the ability to exchange products or services instead of paying with money is one of the main benefits of collaborative platforms for their users in Mediterranean region is according to EU28 average. The fact that collaborative platforms offer new or different services is identified as one of the main benefits in Mediterranean region significantly

higher than in EU28 average. From this it could be concluded that people in Mediterranean region like to use new or different services which is strength comparing to the rest of EU28 countries, while weakness that people in Mediterranean region identify these services less convenient.

Q3 Compared to the traditional commerce of goods and services, what do you think are the main benefits of this type of platform for its users?

(MAX. 2 ANSWERS)

(%)






























		The access to services is organized in a more convenient way	It is cheaper or free	The ability to exchange products or services instead of paying with money	It offers new or different services	Other (SPONTANEOUS)	None (SPONTANEOUS)	Don't know
EU28		41	33	25	24	3	4	8
BE		42	30	40	29	1	2	7
BG		47	21	17	22	2	3	11
CZ		15	53	26	31	0	2	11
DK		27	35	18	26	6	1	10
DE		57	26	19	16	3	5	9
EE		61	27	8	20	1	4	17
IE		62	22	12	23	3	1	3
EL		42	36	25	23	1	5	7
ES		21	32	31	33	8	7	6
FR		37	40	33	28	1	4	6
HR		30	35	15	31	4	3	4
IT		38	29	17	22	2	3	10
CY		27	33	44	29	1	1	4
LV		51	41	21	14	4	4	8
LT		37	25	17	17	4	4	13
LU		29	48	36	34	1	2	5
HU		51	35	12	15	5	7	5
MT		57	23	13	23	7	0	7
NL		35	37	39	27	5	2	10
AT		45	33	31	23	1	2	8
PL		42	36	24	16	4	2	9
PT		32	22	28	19	6	2	16
RO		61	27	13	28	3	1	10
SI		43	33	24	19	5	1	7
SK		28	32	15	18	3	5	13
FI		46	45	26	22	0	1	9
SE		41	21	18	21	7	4	12
UK		40	36	28	26	1	5	8
1st MOST FREQUENTLY MENTIONED ITEM		2nd MOST FREQUENTLY MENTIONED ITEM			3rd MOST FREQUENTLY MENTIONED ITEM			

At a national level, not knowing who is responsible if a problem arises is the most commonly mentioned difficulty in most of EU28 countries but surprisingly not in Croatia and Slovenia. On the other hand, respondents who have heard of or have visited collaborative platforms in Mediterranean region significantly more say that not trusting Internet transactions in general is one of the main problems of this type of platforms, comparing to EU28 countries. Number of respondents who are aware of collaborative platforms in Mediterranean region who say that not trusting the provider or seller is one of the main problems of these platforms for users is slightly higher than in EU28 average. Being disappointed because the services and goods do not meet expectations is identified as one of the main problems of collaborative platforms is slightly less the fact mentioned in Mediterranean region than in EU28 countries as well as and not having enough information on the service provided.

Q4 Compared to the traditional commerce of goods and services, what do you think are the main problems for the people using the services offered on these platforms?

(MAX. 2 ANSWERS)

(%)

		Not knowing who is responsible in case a problem arises	Not trusting the internet transactions in general	Not trusting the provider or seller	Being disappointed because the services and goods do not meet expectations	Not having enough information on the service provided	Other (SPONTANEOUS)	None (SPONTANEOUS)	Don't know
EU28		41	28	27	27	17	2	2	5
BE		38	31	27	30	24	1	4	3
BG		26	26	26	36	25	0	1	4
CZ		40	25	23	23	27	2	2	9
DK		37	9	24	33	7	4	4	11
DE		46	13	26	35	15	2	4	6
EE		31	20	27	29	17	2	8	14
IE		43	34	25	15	18	3	0	2
EL		34	39	20	29	17	3	3	2
ES		48	42	31	18	16	2	1	2
FR		42	36	26	31	16	3	2	3
HR		25	32	26	25	15	3	1	4
IT		38	32	20	20	19	1	1	5
CY		33	33	26	14	26	0	3	7
LV		28	21	26	41	20	4	5	4
LT		17	35	22	25	22	3	3	6
LU		43	31	25	35	22	2	2	2
HU		32	39	33	17	22	2	4	3
MT		29	28	29	17	15	3	8	6
NL		48	22	33	32	15	4	1	5
AT		53	15	30	36	21	1	2	4
PL		36	26	26	22	16	1	2	8
PT		32	45	21	11	22	6	1	6
RO		33	35	29	22	30	1	1	5
SI		23	24	35	27	12	12	1	3
SK		18	19	23	25	17	5	5	8
FI		53	15	33	24	26	0	2	5
SE		44	18	24	28	13	4	2	11
UK		41	27	37	27	12	1	1	7
1st MOST FREQUENTLY MENTIONED ITEM		2nd MOST FREQUENTLY MENTIONED ITEM			3rd MOST FREQUENTLY MENTIONED ITEM				

3. Analysis of on-line survey conducted in Mediterranean region within openDOORS project

We conducted on-line survey consisting of following 50 questions which were answered based on Likert scale:

1.	Services and products are shared within Mediterranean region on satisfying level.	Strongly disagree – Disagree – Undecided – Agree – Strongly agree
2.	Economy is utilized within Mediterranean region.	
3.	Social networks impact on economic utility.	
4.	Sharing economy could maximize economic utility concept.	
5.	Sharing economy is more transparent than traditional economy.	
6.	Sharing economy helps in producing lower-carbon emissions.	
7.	Sharing economy could enable higher social and cultural connectivity with Mediterranean region.	
8.	Sharing economy boosts technology.	
9.	Technological platforms boost sharing economy.	
10.	Sharing economy allows the business model to spread to more markets.	
11.	Sharing economy allows the business model to become more convenient and flexible.	
12.	Sharing economy is dependent on technological progress.	
13.	Sharing economy does not have conventional market regulation.	
14.	Sharing economy creates new markets.	

15.	Sharing economy makes existing markets more competitive and efficient.	
16.	Sharing economy improves matching between demand and supply.	
17.	Rights and obligations between service providers and end users are well defined in context of sharing economy.	
18.	Service providers could be private individuals on an occasional basis.	
19.	Service providers could be SME's.	
20.	End users are more involved in the production process of the service in sharing economy context.	
21.	Sharing economy raises growth capacity of service provider.	
22.	Sharing economy raises growth productivity of service provider.	
23.	Sharing economy has an impact on existing economic activities (substitution effect).	
24.	Sharing economy is affected by different tax regulations in Mediterranean region.	
25.	Sharing economy would be more adopted by younger population than the older population.	
26.	Sharing economy raises salaries of service providers comparing to traditional economy.	
27.	Sharing economy can influence on weakening status of workers.	
28.	Sharing economy raises social equality.	
29.	Comparing to overall European market, Mediterranean market is stronger.	
30.	Mediterranean region is economically well connected.	

31.	Mediterranean nations have similar culture.	
32.	Mediterranean nations have similar mind-set.	
33.	There is need for open communication network between economic subjects in Mediterranean region.	
34.	Mediterranean region is culturally well connected.	
35.	Mediterranean region has fully developed IT services that enable e-services to their citizens.	
36.	Tourism and services are main economy drivers for Mediterranean region.	
37.	It would be easier to put your product on Mediterranean market comparing to rest of Europe market.	
38.	Mediterraneans are immensely talented people.	
39.	Business in Mediterranean region is financed through debts to Central and Western Europe.	
40.	Except tourism and services Mediterranean region has no other sustainable competitive advantage to the rest of Europe.	
41.	Med business interchange could be improved.	
42.	Knowledge transfer between Mediterranean regions is missing.	
43.	Med region is relying on one tourism and services too much.	
44.	Med region is incubator of new business ideas.	
45.	General working environment is suitable for implementation of shared business.	
46.	General working environment is suitable for implementation of new ideas.	
47.	Market trends will be positive for Mediterranean region in the future.	

48.	Mediterranean region can boost economy with sharing services by modern technology.	
49.	Mediterranean governments are stable and have good import/export policies.	
50.	It is easy to find necessary information provided by local government.	
51.	What do you think, which special resources except based on tourism has Mediterranean region available comparing to the rest of Europe? _____	

3.1. Outcomes, numbers and strengths

Based on answers from more than 400 respondents from Spain, Italy, Slovenia and Croatia, we detected following outcomes and numbers.



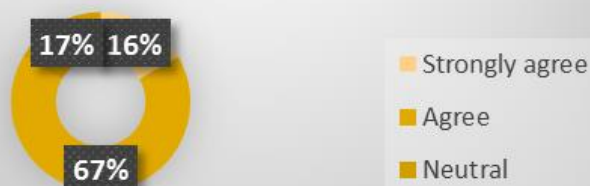
Economy is utilized within Mediterranean region.



Social networks impact economic utility.



Sharing economy could maximize economic utility concept.



Sharing economy is more transparent than traditional economy.



Sharing economy helps in producing lower-carbon emissions.



Sharing economy could enable higher social and cultural connectivity with Mediterranean region.



Sharing economy boosts technology.



Sharing economy allows the business model to spread to more markets.



Technological platforms boost sharing economy.



Sharing economy is dependent on technological progress.



Sharing economy allows the business model to become more convenient and flexible.



Sharing economy does not have conventional market regulation.



Sharing economy creates new markets.



Sharing economy improves matching between demand and supply.



Sharing economy makes existing markets more competitive and efficient.



**Rights and obligations between
service providers and end users are
well defined in context of sharing
economy.**



**Service providers could be
private individuals on an
occasional basis.**



**Service providers could be
SMEs**



End users are more involved in the production process in sharing economy.



Sharing economy raises growth capacity of service provider.



Sharing economy raises growth productivity of service provider.



Sharing economy is affected by different tax regulations in the Mediterranean region.



Sharing economy has an impact on existing economic activity (substitution effect).



Sharing economy would be more adopted by younger population than the older population.



**Sharing economy raises salaries of
service providers comparing to
traditional economy.**



**Sharing economy can influence
on weaking status of workers.**



**Sharing economy
raises social equality.**



**Comparing to overall European
market, Mediterranean market
is stronger.**



**Mediterranean region is
economically well connected.**



**Mediterranean nations
have similar culture.**



Mediterranean nations have similar mind-set.



There is a need for open communication network between economic subjects in Mediterranean region.



Mediterranean region is culturally well connected.



**Mediterranean region has fully
developed IT services that enable e-
services to their citizens.**



**Tourism and services are main
economy drivers for
Mediterranean region.**



**It would be easier to put your
product on the Mediterranean
market compared to other
European markets.**



Mediterraneans are immensely talented people.



Business in Mediterranean region is financed through debts to Central and Western Europe.



Except for services and tourism, Mediterranean region has no other sustainable competitive advantage over rest of Europe.



**Mediterranean business
interchange could be
improved.**



**Knowledge transfer between
Mediterranean regions is
missing.**



**Mediterranean region is
relying on tourism and services
too much.**



Mediterranean region is an incubator of new business ideas.



General working environment is suitable for implementation of shared business.



General working environment is suitable for implementation of new ideas.



Market trends will be positive for the Mediterranean region in the future.

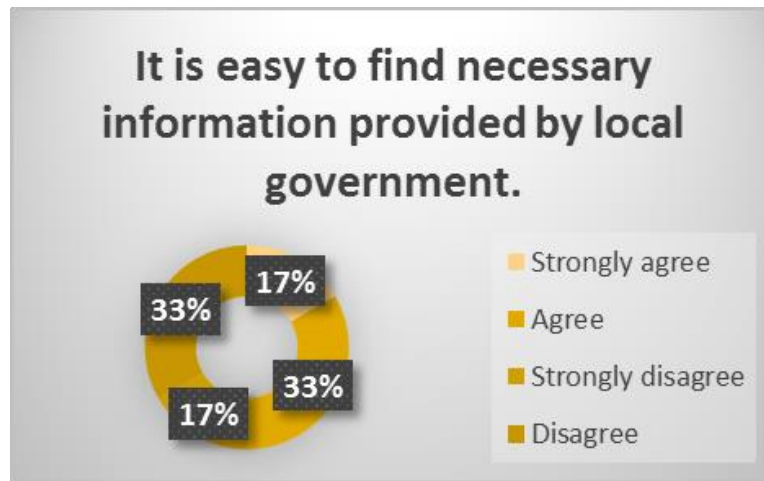


Mediterranean region can boost economy with sharing services by modern technology.



Mediterranean governments are stable and have good import/export policies.





The following opportunities of sharing economy in Mediterranean regions are detected:

- Awareness Raising** – to utilise social media, public relations and marketing to build the foundation for public support that the Sharing Economy is good for the Mediterranean region, for businesses and for consumers; to change consumer habits and cultural barriers, scaling up the Sharing Economy from young people and urban areas to a viable alternative for everyone in Mediterranean region; to commission studies, market research, surveys and interviews on the Sharing Economy in Mediterranean region. Encourage the Mediterranean region to become an early adopter of shared services by supporting users and providers with the tools that can facilitate growth for the Sharing Economy; commission impact assessment studies and life cycle analysis on sharing assets in the Mediterranean region to identify opportunities and create more standardised methods for measuring the benefits of the Sharing Economy to the public and private sector, above all in cities; embed Sharing Economy principles into curricula across primary, secondary, vocational, higher and adult education and training programmes (leadership, in-company, MBA, economics, engineering, design, ICT, marketing and policy sciences).
- Sustainability** – to organise public debates and bilateral meetings with key Mediterranean region decision makers, tailoring to them the key messages of the Sharing Economy; to track and influence Mediterranean region policies with a potential impact on sharing business models, including taxation, insurance, labour, licensing, health and safety, consumer protection, environment, certification, data privacy, patents, IPR, entrepreneurship and recommend appropriate actions; to assist

in the ongoing implementation of EU initiatives in Mediterranean region, such as: the Digital Single Market Strategy (DG CNECT), the Sustainable Consumption and Production Action Plan (DG ENVI), the Resource Efficiency Roadmap (DG ENVI), the Social Innovation Europe Initiative and Entrepreneurship 2020 Action Plan (DG ENTR), the European Innovation Partnership on Smart Cities (DG RTD), the New European Consumers Agenda (DG SANCO), the E-Money Directive (DG MARKT), the E-Commerce Directive (DG MARKT), the Financial Instruments Directive (DG MARKT), the Crowdfunding Consultation (DG MARKT), the Opinion Paper on Collaborative and Participative Consumption (EESC), the Opinion Paper on Local and Regional Dimension of the Sharing Economy (COR), the Resolution on social protection for all, including self-employed workers (EP) and other related thematic strategies; to draft position statements, participate in EU Commission consultations such as the one on Platforms and the Collaborative Economy, write petitions and open letters to the European Parliament, submit policy recommendations, legislative amendments and take a seat in relevant EU platforms that have influence in Mediterranean region. Regulate on the Sharing Economy on a sector-by-sector basis, incorporating feedback from sharing companies and end-users, involving a broad set of stakeholders in consultations. Mitigate the impact of existing regulations that unintentionally obstruct sharing ventures and allow permits to support new sharing business models. Introduce mandatory requirements in existing legal frameworks for shareable products (e.g. minimum, recyclability, reusability, upgradeability and durability). Facilitate the establishment of minimum safety and quality standards for Sharing Economy markets and promote a "trust certificate" that could encourage consumers to participate in peer-to-peer activities and platforms. Develop and implement appropriate legal mechanisms, insurance products and tax provisions for collaborative forms of business, consumption, production and exchange, without creating disadvantages to traditional business models.

- **Transferability** – to unite and organise the community of Sharing Economy consumers, providers and associations in Mediterranean region in cooperation with existing national platforms; to provide a forum for collective knowledge exchange and foster cooperation between Sharing Economy practitioners in different EU sectors and Member States; to facilitate the transferability and scalability of best practice solutions on the Sharing Economy among EU Member States to Mediterranean region, especially in the scope of:
 - Setting up networks with leaders from cities (e.g. via the EU Covenant of Mayors or the European Innovation Partnership on Smart Cities) to build

capacity, spread information and ideas about successful models for the Sharing Economy.

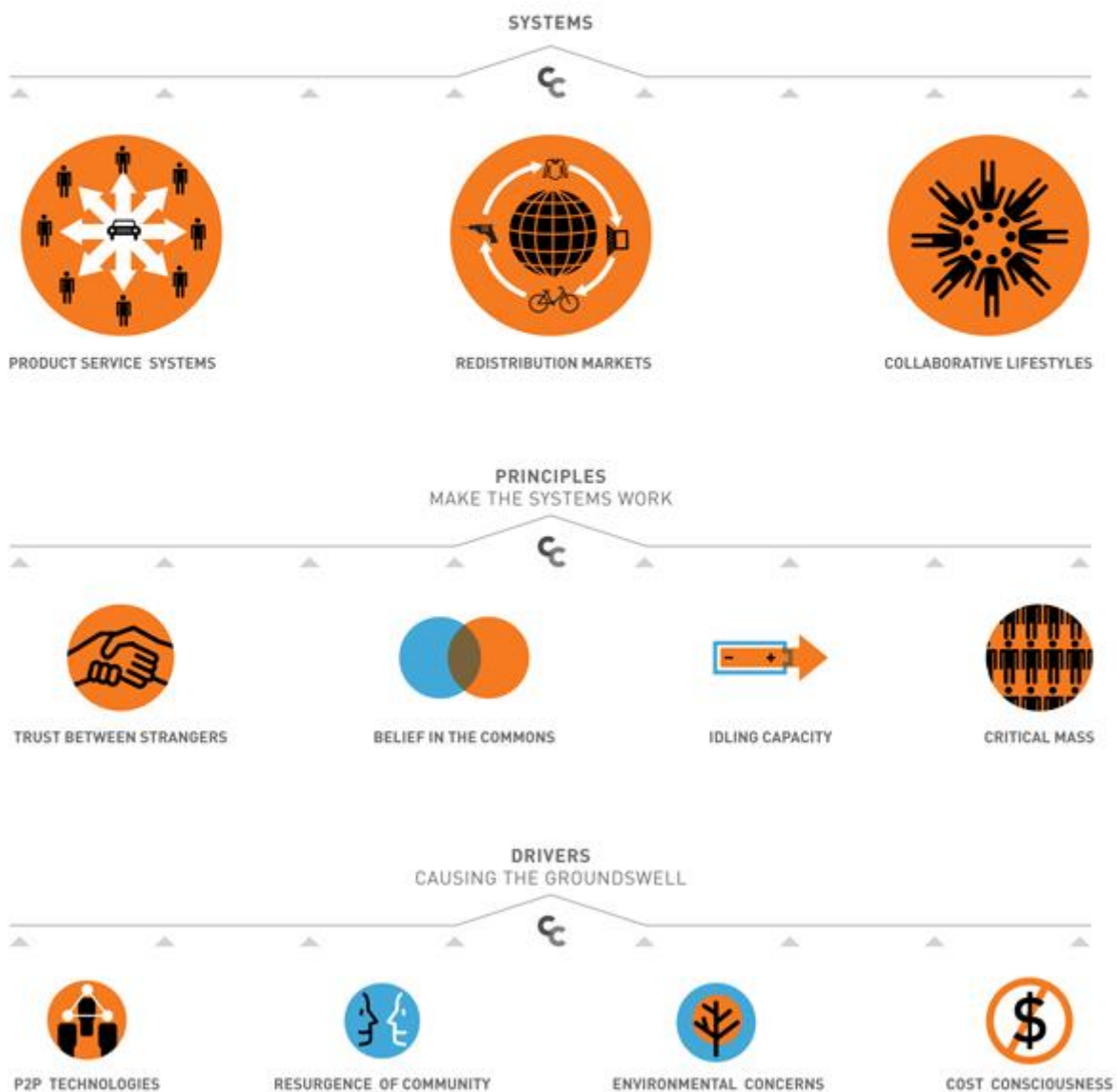
- Creating local working groups to review and address regulations that could hamper involvement in the Sharing Economy, bringing together residents and neighbourhoods, redefining public services, innovation and civic engagement.
 - Facilitating the transferability of best practice scalable solutions across Member States and incentivise public investments (grants, subsidies) for pilot projects and platforms on the Sharing Economy.
 - Supporting the development of one regional Sharing Economy cluster in the EU (e.g. with cooperation among research institutes, start-ups, financiers, end-users) and "innovation zones" to act as incubators to test Sharing Economy scalable solutions.
 - Promoting the creation of one award scheme for the best Sharing Economy concepts to facilitate market penetration.
 - Encouraging cities to develop sharing and collaboration action plans to stimulate greater recognition of the Sharing Economy across local policies.
- **Investment through EU Fund Raising** – to kick start pilot initiatives, above all in cities, participate in relevant projects and raise EU funding for promoters of the Sharing Economy; to assist the EU Commission to design and implement appropriate funding lines for the Sharing Economy under the new EU Multiannual Financial Framework Program 2014-2020; to set up public/private partnerships between Sharing Economy platforms and local governments. Set up one-stop-shops for Sharing Economy entrepreneurs to bring together all business support services including mentoring, incubation, and acceleration, advice on access to finance and support for internationalisation. Enact a European public procurement system, with shareability criteria for tenders, favouring Sharing Economy enterprises. Introduce appropriate EU funding lines to support public/private partnerships between Sharing Economy platforms and local governments. Drawing inspiration from the report: Policies for Shareable Cities, European policy makers should play an active role in making publicly owned assets available for maximum utilisation by designing sharable infrastructures, services, incentives and regulations that facilitate the Sharing Economy at local level. This is particularly relevant in the following areas:
 - Shareable Transportation: subsidise, incentivise or require car sharing, bike sharing and ride sharing programs. Designate, reduce fees or establish free parking spots for car sharing. Allow residents to lease residential parking spaces for shared vehicles. Create economic incentives for ride sharing, like

designated lanes or waived or reduced tolls. Help meet demand for ride sharing by designating convenient locations as carpool pick-up spots.

- Shareable Food: Encourage urban agriculture by removing barriers to growing and selling. Provide tax credits to property owners who farm vacant land. Conduct inventories that explore the potential for food cultivation on unused land. Allow food distribution points to increase access to local food production. Support the establishment of food redistribution programs. Support local commercial kitchens and food enterprises.
- Shareable Housing: Help establish more housing cooperatives. Permit residents to use their homes for short-term renters. Amend or remove restrictions to co-habitation. Enable the creation of co-housing and eco-villages.
- Shareable Jobs: Reduce fees to allow shared workspaces and community-owned businesses. Facilitate the temporary use of empty commercial spaces. Consider Sharing Economy companies whenever contracts are established for public procurement of goods and services. Integrate topics related to the Sharing Economy into high education, vocational training and other programs.



TRADITIONAL SHARING, BARTERING, LENDING, TRADING, RENTING, GIFTING,
AND SWAPPING REDEFINED THROUGH TECHNOLOGY AND PEER COMMUNITIES—
THAT IS TRANSFORMING BUSINESS, CONSUMERISM, AND THE WAY WE LIVE.



Source: www.collaborativeconsumption.com

3.2. Weaknesses

The terms of use we analyse specify that the platforms are merely and passively intermediating providers and recipients, thereby indicating that they would be only hosting platforms. However, it is not clear, and in some cases not convincing, that this is the case in reality. First, providers, i.e. natural or legal persons providing services, should make some information available, for instance on their identities, their contractual conditions or their insurance schemes. However, the national laws do not always give the means to differentiate clearly and on a general basis cases where the offerer of a service is acting as a provider from those where he is acting as a mere consumer (i.e. a prosumer) and for whom the information obligations would be disproportionate. Second, when the provider is a trader (i.e. acting for purposes relating to his trade, business, craft or profession) dealing with a consumer (i.e. acting for purposes that are wholly or mainly outside his trade, business, craft or profession), he is subject to the additional consumer protection obligations. The definition of trader has some flexibility and has been interpreted by national courts on the basis of a body of evidence. However, such flexibility may lead to legal uncertainty when a service provider does not know at which point he becomes a trader and is thus subject to consumer protection obligations. Third, when the provider is exercising a qualified profession, i.e. a profession which is specifically regulated by governmental bodies in Mediterranean region, he is subject to rules defined in the law and by professional bodies. It should be made clear that all providers offering services of a qualified profession on the collaborative economy platforms are subject to the rules of the profession regarding for instance insurance, diploma or registration to professional bodies.

One of the key ingredients of success of the collaborative economy is the users' trust which is the shared responsibility of the platforms and the service providers. It requires correct information on the quality of the providers and on the extent of their obligations, which has several implications that are sometimes not clearly defined: first, the legal qualification of the provider should be made clear to the recipients of the services who need to know the extent of their protection. But given the sometimes uncertain application of the distinction between trader and consumer in the collaborative economy, legal guidance need to be provided by EU and national authorities. Moreover, the online platforms have a responsibility in informing the service recipients on the legal qualification of the services provider. Second, online reviews and endorsements, which are key in the choice of the consumers on the platforms, should be accurate and not biased. Current consumer protection rules, such as the prohibition of misleading commercial practices, may be instrumental in that regard and more legal guidance on the application of the Unfair Commercial Practices Directive may be needed.

In general, the collaborative economy platforms provide services normally provided for remuneration. Therefore, the Treaty rules on services apply except when the platforms provide services which are excluded of its scope of application (e.g. transport). In this case, the providers of the services benefit from the rights of the Services directive, in particular regarding the freedom of establishment and the free movement of services as well as the administrative simplification. They are also subject to the obligations regarding the information to provide, the professional liability insurances and guarantees, commercial communications for regulated professions, quality of services and settlement of disputes.

Also, there are few issues that have to be addressed, which are same for complete EU and not focused only on Mediterranean region, such as:

- What type of market access requirements can be imposed?² Service providers should only be obliged to obtain business authorisations or licenses where strictly necessary to meet relevant public interest objectives. Absolute bans of an activity should only be a measure of last resort. Platforms should not be subject to authorisations or licenses where they only act as intermediaries between consumers and those offering the actual service (e.g. transport or accommodation service). Member States should also differentiate between individual citizens providing services on an occasional basis and providers acting in a professional capacity, for example by establishing thresholds based on the level of activity.
- Who is liable if a problem arises? Collaborative platforms can be exempted from being held liable for information they store on behalf of those offering a service. They should not be exempted from liability for any services they themselves offer, such as payment services. The Commission encourages collaborative platforms to continue taking voluntary action to fight illegal content online and to increase trust.
- How does EU consumer law protect users? Member States should ensure that consumers enjoy a high level of protection from unfair commercial practices, while not imposing disproportionate obligations on private individuals who only provide services on an occasional basis.
- When does an employment relationship exist? Labour law mostly falls under national competence, complemented by minimum EU social standards and jurisprudence. Member States may wish to consider criteria such as the relation of subordination to the platform, the nature of the work and remuneration when deciding whether someone can be considered as an employee of a platform.

² A European agenda for the collaborative economy http://europa.eu/rapid/press-release_IP-16-2001_en.htm

- Which tax rules apply? Collaborative economy service providers and platforms have to pay taxes, just like other participants in the economy. Relevant taxes include tax on personal income, corporate income and Value Added Tax. Member States are encouraged to continue simplifying and clarifying the application of tax rules to the collaborative economy. Collaborative economy platforms should fully cooperate with national authorities to record economic activity and facilitate tax collection.

3.3. Opportunities

First of all, it is important to understand the drivers which created the conditions for this phenomenon to succeed and increase at high levels in such a short period. The main determinants which enabled such an astonishing diffusion are: the technology, the community, the environmental awareness and the recent crisis.

Technology – Internet revolutionized the way to communicate as it is a medium for collaboration and interaction between individuals without the need of being located in closed geographical positions. The sharing economy could have never sustained any growth without the networks and platforms that the Internet is able to generate. Thanks to the Internet it is very fast to enlarge our own network just by connecting to the Internet and share a link of a product or service with other users. The easiness of diffusion is a key factor for the functioning of the platforms and as a consequence of the sharing economy (according to Eurostat Internet coverage in Mediterranean region is 99% comparing to 98% overall EU28 which is almost same). Another key determinant is the disintermediation. Through networks, it is possible to have direct contacts with the producer or user of a product or service, and this makes everything more efficient as the distribution is less costly and information are more reliable and transparent. The creation of networks has started when someone shared a link with some colleagues. This characteristic of diffusion has been added as an additional component to the feature of the products, in order to create something that people want so much that they can share in their networks made of friends, relatives and co-workers. If everyone shares the same link, this replicate itself creating a mass action which can be either positive or negative. The viral effect is much more credible than any other type of advertising, as people with same tastes and lifestyles find each other and share similar ideas creating a sort of community, which is very present in Mediterranean region since we all share common mind-set and way of living. The adoption of this strategy is the most low cost way which is able to create the biggest network in the fastest way reaching a “tipping point”. The more connection you have, the more nodes, the more people, the more valuable it will be. That’s because if you can get many people to use your product, someone somewhere will pay you to reach them. Thus, the Internet is a multiplying effect as it is the biggest network which shows the fastest exponential

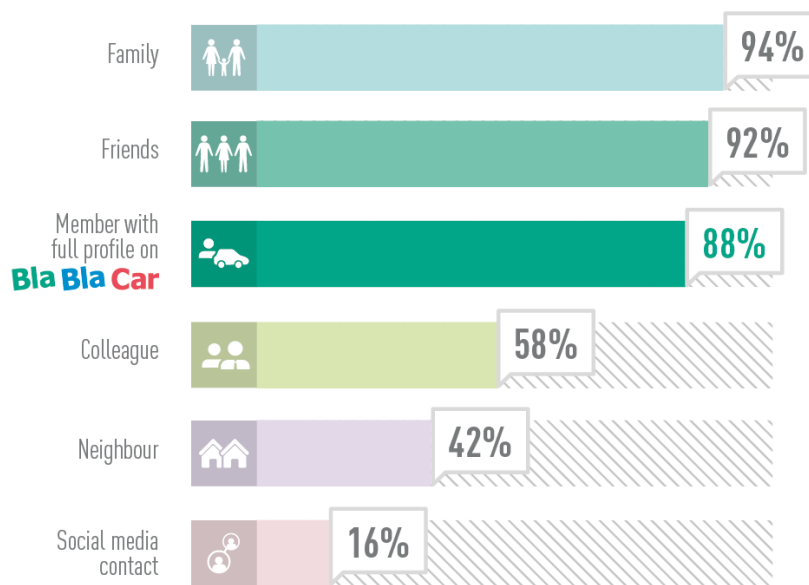
growth. Each additional user has more value than any other user taken individually as each one of them not only shares, but creates even more connections just by being connected to other people who, in turn, will share the same link again and so on. Nowadays people feel the need to connect with each other, to be included in a community because having some connections means having an identity.

Its central characteristic is that groups of individuals successfully collaborate on large scale projects following a diverse cluster of motivational drivers and social signals, rather than either market prices or managerial commands. With the arrival of the economic crisis in 2008 the inequality among individuals' income increased and this highlighted the need for savings and a stringent rethinking to find new allocation of resources. The reduction of these available resources contributed to emerge the necessity to reinvent ourselves. The unemployment rate had a steep increase and many people found themselves without a job from one day to another. People had to reverse the entire economic system: buy less, save more and share their things with others. The optimization was achieved through the sharing of assets and their utilization rather than ownership. Thanks to the Internet this new economic movement grew so rapidly and in few years affected the way of doing business.

Together, collaborative platforms are creating the new digital trust ecosystem where trust built on one platform has positive spillovers for the entire collaborative economy. Let's take a look of BlaBlaCar example in Spain:

High Level of Trust

Percentage of respondents who ranked 4 or 5 out of 5 their level of trust in...

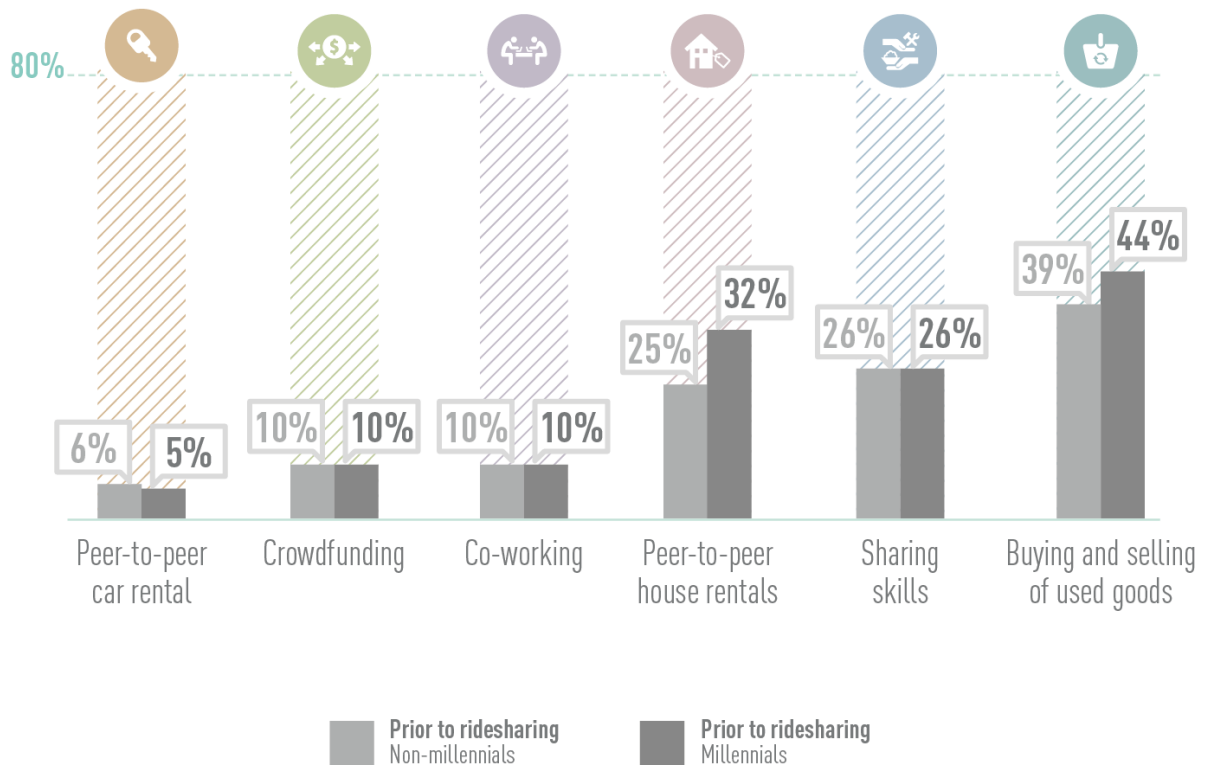


Study based on 18 289 respondents in 11 countries

Source: <https://www.blablacar.com/trust>



I already did this prior to ridesharing



Also, here is example of opportunities and threats encountered by Airbnb for Southern Europe (which is covered most by Mediterranean region):

Which of the features have the biggest impact on your opportunities and threats?

These are the strengths and weaknesses that have the highest level of interaction with your opportunities and threats.

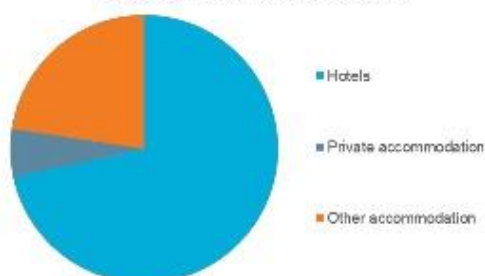
25%	High valuation of Airbnb, large amounts of money from investors are available for expansion of the company (already past through six rounds of venture capital and received more than \$794 million).	54%	Airbnb is operating, aware that it is violating zoning laws (which prohibit people from running a business, hostel, or hotel in a residential area) and laws requiring hosts to pay a hotel tax.
23%	Very big selection of listings: Airbnb has over 800,000 listings in 33,000 cities in 192 countries.	22%	Opponents, including lobbyists from the hotel industry are fighting against the concept.
18%	Lower prices compared to hotels, and additional income for host from rental.	20%	Airbnb relies heavily on the quality that the hosts deliver. The more issues that arise with a host, the more bad press the company receives.
17%	Guarantee of safety for a host. Insurance now covers \$1 million per booking.	3%	Airbnb must act as mediator between host and tenant. This generates additional costs and involves company in a lot of disputes.
15%	Well recognized brand and a trendy public image.		

AIRBNB SHAKES UP ACCOMMODATION

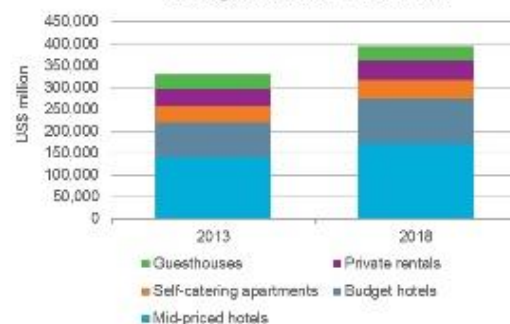
Private rentals vs hotels: David and Goliath

- Private rentals, however, remain an extremely small part of the travel accommodation market, accounting for only 6% of global travel accommodation value in 2013 compared to hotels with 72% of value. These percentage shares are not predicted to change significantly by the end of the forecast period.
- Other travel accommodation categories that compete more directly with private rentals include budget hotels, self-catering apartments and guesthouses.
- Budget hotels are predicted to show a higher rate of growth in actual value terms over 2013-2018, at 27%, while private rentals is only forecast 19% growth. In terms of value, the former are also valued globally at US\$81.4 billion in 2013, more than double the value of private rentals at US\$38.7 billion.

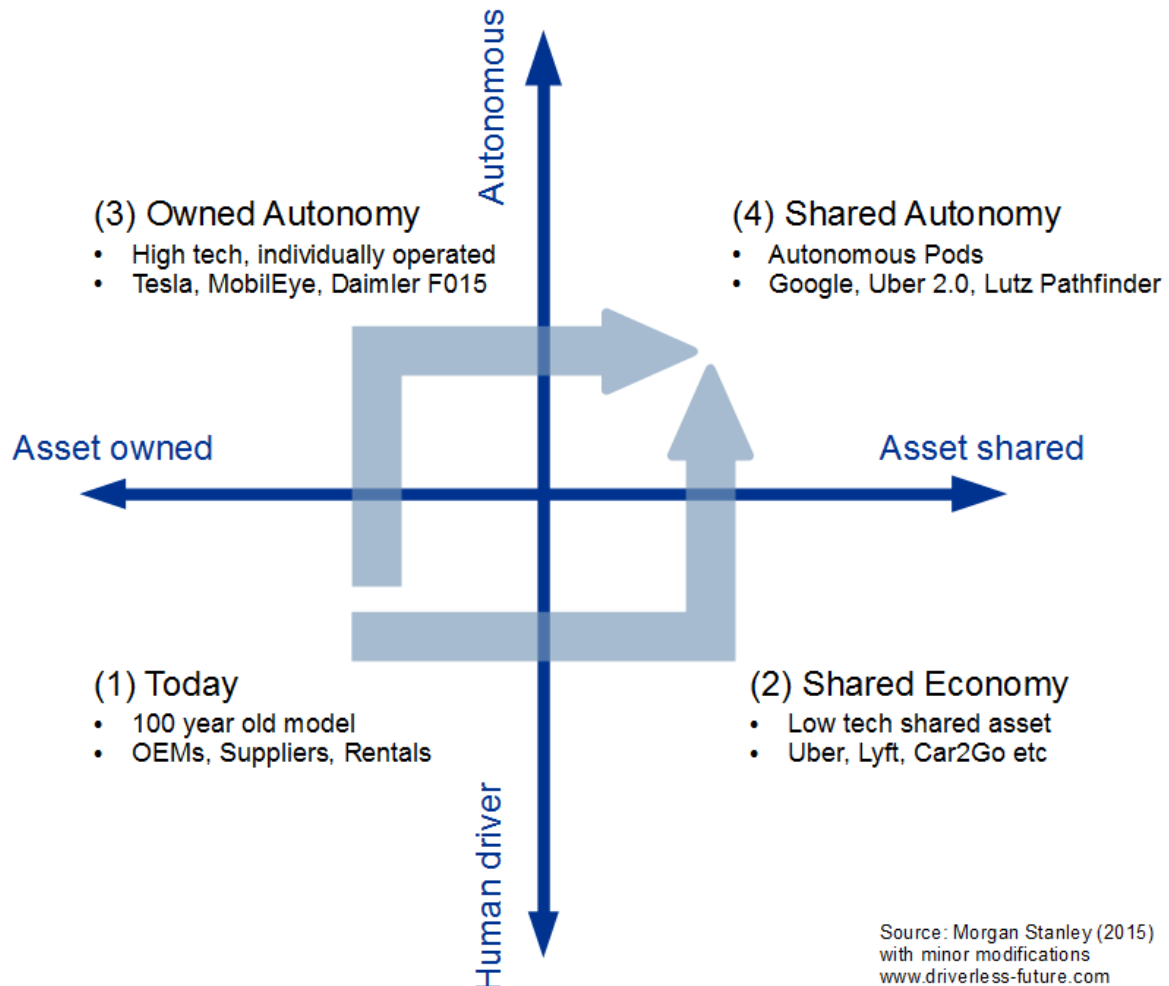
Global % Value Breakdown of Travel Accommodation 2013



Global Private Rentals vs Competing Categories Sales 2013/2018



Next example of opportunities in automotive industry shows what will happen in very near future, where Mediterranean region's countries should react very soon:



Whatever your organization looks like today, the sharing economy is too big an opportunity to miss—or too big a risk not to mitigate. For incumbent players in mature industries, the immediate challenge is to avoid being disrupted. For a cautionary tale, look no further than traditional media, which once rested on the assumption that that ownership and rental models were the only ways to consume music or films. That is, until streaming came along to disrupt everything media executives thought they knew to be true. They underestimated the importance of connecting through social and shared playlists—and they failed to recognize that ownership and rentals would quickly become antiquated in digital media, trumped first by downloads and then by streaming.

By contrast, the automotive industry recognized the sharing economy as an early threat and adopted the model where it was applicable. Today, many car manufacturers now run their

own car-sharing operations and others have made strategic investments in new entrants—such as Avis in Zipcar and BMW in JustPark. Where a consumption model has prevailed in a sector for many years, it is often most at risk of disruption.

Here are some key disruptive levers that businesses in Mediterranean region that adopted sharing economy rules should consider (source PwC elaborate on sharing economy pwc.com/CISsharing):

- Create marketplaces: Organizations need to assess the potential for consumers to band together in a peer network that can undermine their value proposition. These networks are most likely to emerge in categories where products and services are widely distributed, involve high fixed costs but low marginal costs and are often underutilized. The automotive and hospitality sectors were among the first to see peer networks, but this network effect is equally viable in industries that hold similar characteristics. High-end retail and utilities are susceptible to this model—in the communications sector, Fon already enables WiFi customers to share their connection with others in return for free access to other Fon hotspots around the world. If this potential for a network effect exists—and for those in the automotive, hospitality, retail, entertainment and tech industries, it very likely does—then companies need to decide whether to be a player or an enabler.
- Develop a mitigation strategy: Whether acquiring a new entrant, partnering or investing in them, companies can mitigate the risk of a sharing economy insurgency and even capitalize on sharing economy revenue to bolster their business. For instance, a manufacturer of high-end hardware goods could partner with a sharing economy network to circulate its wares, capitalizing on the growing appetite for higher quality, more durable goods that offer greater resale or longevity to buyers. This builds on current practice of providing a network of contractors, extending it to include shared economy providers who can ably supply their tools or labour.
- Organizations can also develop their own sharing economy concepts—after all, innovation often starts with imitation. For instance, using a tried-and-tested approach in one industry and adapting it to your own (such as developing “access” options alongside traditional sales channels)—or reworking a consumer-to-consumer model to fit a business-to-consumer or business-to-business market.
- Engage in sharing your own asset base: The sharing economy demands a sharing organization, one that monetizes spare capacity and improves business outcomes through sharing intangible assets. For many organizations, this are instances within your own organization where underutilized assets can be more effectively shared across entities, both inside and outside the organization. Begin with tangible assets. On average, today’s manufacturing facilities operate at 20% below capacity. Half of all

desks in the average office go unused. A quarter of all trucks traveling in the EU28 are empty. All of these are instances where sharing platforms could move companies much closer to maximum efficiency. Marriott, for instance, has partnered with the online platform LiquidSpace to convert empty conference rooms into rentable work spaces. The result is not just a new revenue stream, but also a way to increase exposure to Marriott properties. Pharmaceutical giant Merck recently signed an agreement to share Medimmune's manufacturing facility, providing long-term utilization of excess capacity for Medimmune while giving Merck flexible access to manufacturing facilities as needed.

- Another opportunity is to facilitate the sharing of intangible assets. That means intellectual property, brainpower and brand—which collectively make up around 80% of a global corporation's value. This is something what is on very low level in Mediterranean region comparing to the rest of EU28 and especially to USA, reflecting in a way of great opportunity to regulate and use for sharing economy principles.
- Effectively tap talent: One of the more controversial aspects of the sharing economy is the impact it has on the labour force, and the perceived shift toward contract-based employment that trumpets agency over regulation. For some, this is regarded as a benefit, enabling workers to earn wages on their own time and their own terms. For others, it heralds an era of depressed earnings and greater reliance on welfare and other government subsidies. 78% of adults said they expected that in 30 years, working multiple jobs would be the new normal for wage earners. Companies need to be mindful of this tension and adapt their employment strategy accordingly. For starters, that means offering wages and benefits that attract good, reliable talent and project the values that today's consumers seek. In many industries, flexibility can be as compelling as a higher salary—likewise, some employees prioritize variety of work and autonomy. At the same time, employers can assess the impact of "sharing" a larger portion of their talent base, be it with entrepreneurial activity, leisure or even another company. Google's "20% time" initiative enables employees to pursue innovative ideas for an approved period of time, even if those ideas are outside their current job focus.
- Shaping regulatory and policy frameworks: Regulatory flash-points are everywhere, and they are the most immediate impediment to sharing economy growth—a situation that's relevant to both disruptors and to more mature players. In our survey, 59% of respondents said they will not trust sharing economy businesses until they are properly regulated. When regulation is solidified, these business models will be fully legitimized—not just by law, but also in the minds and hearts of consumers. This should motivate companies across all sectors to get ahead in carving out a place in the conversation with policymakers. In this setting, companies can credibly measure the economic, fiscal, social and environmental impact of the sharing model in the

communities in which they operate. There is no question that the regulatory, legal and tax framework needs to be fit for a new age. The right balance of solutions need to be built from the bottom-up, where local authorities can quickly trial and experiment with new models. Not surprisingly, this is more easily done when both sides work together. For instance, Airbnb worked with Amsterdam's local council to pass an "Airbnb-friendly law" in February of 2014 which permits residents to rent out their homes for up to 60 days a year, provided that the owner pays the relevant taxes.

- Expand the brand through shared economy experiences: By design, the sharing economy disrupts the balance of the marketing mix for nearly every industry it touches. Price points are upended. Product has a new set of metrics—of which quality gets a new premium, and standardization and consistency can matter more or less, depending on the market. Place is reconsidered as new points of access emerge. And the very nature of promotion has shifted, with "sharing" engendering new means of trial and exposure. Brand is still very relevant today—but companies need to reassess their brand pillars in light of these new marketplaces, new business models and new consumer values. Today's fast-paced lifestyles leave little time to maintain expensive assets. One in two consumers agrees that owning things is a good way to reflect status in society.
- Social networks have also accentuated a shift in how we attain social status, raising the bar for experiences over material possessions. As a result, forward-looking companies must re-examine what creates brand value and position themselves accordingly in the marketplace. For instance, many automotive companies now identify as "mobility providers" rather than automotive manufacturers, a reflection of shifting consumer preferences. Savvy brands are designing experiences that are mobile and social first—empowering users to share with each other and tap into greater trust fuelled by a combination of content, social sentiment and improved functionality. And for any company still toeing the line on corporate social responsibility, let the sharing economy be a wake-up call. Today, with new ways to effectively address resource scarcity, doing the right thing and doing the profitable thing are not incompatible.
- Never settle for stable: If the sharing economy has proven anything, it's that business models cannot be taken for granted in a highly connected, fast-changing world. Today's disruptors can easily be disrupted tomorrow. The ride-sharing model could be obsolete when self-driving cars materialize—or these companies could adapt by purchasing their own fleet of self-driving cars, removing the cost-centre of today's drivers. To stay nimble, companies need to continuously examine ways to bundle and unbundle the value exchange for maximum consumer benefit and maximum competitive advantage. They will need to capitalize on opportunities for expansion, assessing ways in which new models can be leveraged to reach untapped consumers.

They will need to explore gaps in revenue management, finding cost efficiencies and opportunities to free up capital that can be more effectively applied in other capacities.

- The opportunities ahead are not without challenges. Effectively competing in the sharing economy requires sharp insight into the consumer mind-set and competitive marketplace, as well as clarity into internal operations. Liability and security are concerns to be mitigated. But companies that willingly tackle these challenges will be the ones poised to survive—and the potential ahead will be constrained only by the imagination of decision makers. Whether the model is consumer-to-consumer, business-to-consumer or business-to-business, as companies create and utilize these exchanges efficiently and creatively, they will find more ways to profit and help their businesses—and the community at large—grow and sustain success.

3.4. Threats

- In general, there is a lack of tailored European policy frameworks for regulating the new Sharing Economy sector. Whereas excessive regulatory measures would suppress innovation, the absence of regulatory measures creates uncertainty that may inhibit investments and development of the sector and can result in companies trying to exploiting loopholes in the legislative vacuum, damaging consumer trust. However, rule enforcers in Europe are now beginning to realise how big the collaborative marketplace is becoming and the revenues it is generating, hence they need to explore how they could facilitate its growth.
- The emerging Sharing Economy industry in the EU is facing several significant challenges, above all outdated regulatory frameworks, the hostility of established enterprises and friction with trade unions and consumer organisations. Companies are finding more and more that their national and international markets are shaped by European regulations and that markets can work better if regulations can ease their smooth functioning. By the time national governments deal with EU legislation, the majority of its content has already been agreed and decisions made at national level are largely regarding implementation. To be able to really influence legislative proposals, in terms of content, it is essential to take part in the shaping of EU policies at the earliest stages of its development. Today's business strategy must therefore be based on the legal instruments that the EU is likely to introduce if they want to unlock European markets, reduce onerous regulation and generate competitive advantage.
- Sharing Economy organisations need to have a long-term vision and play an active role with European regulators, especially the European Commission, in designing appropriate policies, as the market is now rapidly taking shape. If not, they may end

up with burdensome restrictions or overstretched monitoring. This is particularly the case considering the EU2020 strategy which proposes that "the consumption of goods and services should take place in accordance with smart, sustainable and inclusive growth and should also have an impact on job creation, productivity and economic, social and territorial cohesion". The main goal should be for the EU to recognise the Sharing Economy as an overarching strategy guiding their whole smart policy thinking and better regulation in the various sectors.

- This boom in the sharing sector has attracted thousands of part-time drivers in European cities and offered rooms in private flats to tourists across Europe. However, the lack of proper licensing, concerns about consumer protection and tax compliance, and the lack of clarity in regards to labour relations between sharing firms and contractors triggered a restrictive approach by countries such as France, Spain and Germany³. Meanwhile, member states including Estonia, Lithuania, Finland and the UK have favoured the arrival of this new type of company. When it comes to liability, the executive will tell member states to regulate collaborative platforms, which store information on behalf of those offering a service, and sharing-specific companies that engage in other types of commercial activities, like payment services, in a different manner. This is the case of the most developed apps, such as Uber and Airbnb. In this context, the European Commission is expected to recommend to member states to create fixed parameters which determine when an employment relationship exists (for example, a percentage of the income coming from the apps). The Commission's attempts to facilitate the inclusion of independent workers into more stable working relations will go against the strategy of firms like Uber. The ride-hailing app recently paid \$100 million to drivers in California and Massachusetts to avoid a jury trial that could have reclassified independent contractors as employees⁴.

³ <https://www.euractiv.com/section/digital/news/eu-makes-progress-on-sharing-economy-policy/>

⁴ Alexandre de Streel, Impulse Paper for DG GROW of the European Commission, Specific liability issues raised by the collaborative economy – Professional services, Javier Huerta Bravo, Univeriste de Namur, 2016

4. Examples

Although far from reaching its true potential, the Sharing Economy is finally rising its status among Mediterranean region consumers and drawing the attention of policy makers and the traditional industry that has built businesses on continuous appetite for ownership. In some cases, the innovations brought by the Sharing Economy are disrupting established market-based business models.

Selected Examples of Sharing Economy disruptions that are present in Mediterranean region include:

Retailers: disrupted by Peerby (goods exchanges)

Hospitality: disrupted by Airbnb (shared accommodation)

Banking: disrupted by Zopa (money lending)

Transport: disrupted by Cambio (shared mobility)

Employment Agencies: disrupted by Upwork (services)

Volunteering: disrupted by TimeRepublik (timebanking)

Education: disrupted by Skillshare (shared learning)

Food: disrupted by Feastly (shared meals)

Clothing: disrupted by 99dresses (cloths exchange)

Journalism: disrupted by GrassWire (shared newsroom)

Art: disrupted by getARTup (art exchange)

Office Rental: disrupted by Liquidspace (co-working places)

Travelling: disrupted by Easynest (travel costs sharing)

Music: disrupted by Spotify (shared music)

Manufacturing: disrupted by 3D Printing (co-creation manufacturing)

4.1. Italian examples

CNA Abruzzo example



CNA Abruzzo, National Confederation of the small and medium enterprises represents in abruzzo 10.000 enterprises; it intend to involve in this phase the micro companies associates between ICT , Ho.re.ca, Tourism, Transport and Restaurant sector.

Testimonial in "Survey about Sharing Economy in Mediterranean region":

Marco Blasioli, Digital Borgo, president ICT cluster in Pescara (Panel Area)

Giuseppe Troilo, Meuco Gocciolatoi, entrepreneurs and manager of association of enterprises "rete di imprese"

Giovanni Di Michele, Toscani Bags, entrepreneur and manager of MADE IN, association of entrepreneurial "rete di imprese"

Fabio Faieta, ICT company, entrepreneur in Panel Area

Giulia Mistichelli, entrepreneurs of restaurant, Santa Ignoranza, in Pescara (Panel Area)

Gianluca Carota, entrepreneur of transport, in Pescara (Panel area)

President, Chamber of Commerce, in Teramo

Representant, Chamber of Commerce, in Pescara (territorial Panel)

All these testimonials have been interviewed and assisted to fill the online questionnaire.
The following answers are the position of all testimonials.

Strengths:

What advantages has your country in context of exchange values as a development driver?

- Probably on SME framework; in Italy and Abruzzo Region, there are about 95% of MICRO and SMALL enterprises: it could be a really driver to development for spread of services and competitive cost; boost technology

What is unique in your country in the aspects of technology and market context of SE?

- There is no particular evidence of some technologies advantage, in consideration of high number of enterprises networks around 8000 reti di imprese aggregated, on SE crowdfunding and in particular equity crowdfunding could be an asset to develop in this territory

How skilled is your country administration in context of SE and are they empowering new business models?

- There is no particular knowledge within the administration, only with ESIF funds Structural Funds there can be some support

How long experience is SE does your country have?

- Around 5 years and some survey and analysis started from 2015. If we consider network of enterprises as a field of SE, this field of activity started ten years ago to support competitiveness through the creation of consortium named "Reti"

Are there regions within your country better than others in the context of the SE?

- Probably yes, depend on cultural, social and economic territorial, clearly urban entity can create a favourable ecosystem for SE developing

Which socioeconomic impacts could be used to foster SE?

- Structural fund in order to sustain activities on SE

What is overall perception of SE in your country?

- Very conflicting. There is wide variety of services that could be shared among different customers or are they all aiming at same customer base? Surely yes, services innovative with classic and traditional.

Weaknesses:

What should/could your country do to improve/foster the development of SE?

- Starting discuss on SE by media and involving the customers on widen the services; Sharing economy / non-equity and crowdfunding needs dedicated laws and regulations; To create some register to define who are the SE operators and their characteristics

Is there lack of knowledge about SE?

- On SME sectors knowledge is quite low and depend on the companies and sectors

Are service providers skilled enough to participate in SE?

- Enough

Are there recently a lot of investments to boost SE?

- Not in our territories from local operators but there is a discussion in progress about high investment form multinational platform

What should your country avoid in context of SE?

- Thinking only own interest; country needs of appropriate roles and rules

What factors difficult the growth of SE in your country (administration etc.)?

- Administration and fiscal.

Opportunities:

Which behaviours/trends in institutions, technology, social pattern, population profiles, lifestyle, local dynamics are perceived as drivers for SE growth in your country? What is the advantage of local market?

- Enhance quality and quantity of the local services

Could SE provide missing services on the market of your country for the customers? Sure Is it depending on weather and how?

- Territory and Companies are more different between country: actually the weather is right and UE will decide how to approach new services on the market (european vision)

Will positive trends of SE effect on overall satisfaction of people in your country?

- YES by citizen MOREORLESS for companies without roles is only chaotic situation

Could SE be fairer, lower-carbon, more transparent, participatory, and socially & culturally connected than traditional economy in your country?

- Of course, this is what we want

Threats

What obstacles is your country facing with that difficult the rise of S/C economy?

- Roles and Rules EQUAL for everyone

Are government regulations affecting SE success in your country?

- NO

Is globalization threatening the position of your country?

- Yes the presence of multinational platform is increasing a lot

Is political instability influencing on success of SE in your country?

- Absolutely no

Are different generational adoptions of SE present in your country?

- NO

Does SE have implications on labour definitions, salary, weakening status of workers in your country?

- Problems are arising from pressurization of the workers, no new definition on labour law

Lazio-Calabria example

The SWOT analysis is extracted from the opinion of the participants at the panels of Lazio and Calabria region, the first one carried out by CNR and ANCI and, the second one carried out by CNR involving EUROKOM in the organization.

Strengths:

What advantages has your country in context of exchange values as a development driver?

- One of the current advantages mainly consists in the opportunity that the Sharing economy is offering with self-employment in a moment of economic and social transformation that presents many criticalities. Currently in Italy there is a strong opportunity to build and implement an innovative model of sharing economy integrated with the traditional one exchanging values as a development driver. The distributed and strong presence of cultural heritage assets, the arising of new and interesting communities of artists working in creative sectors, the wide presence of operators in the tourism sector, the need of a more efficient transportation network from local to national level. The social point of view of the sharing economy, meaning sharing structures, common spaces, mutual help and co-working can offer some new positive perspectives in terms of a new model of welfare (however a regulation is necessary).

What is unique in your country in the aspects of technology and market context of SE?

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How skilled is your country administration in context of SE and are they empowering new business models?

- The administration currently is not more skilled than in other countries. What is arising in the context of SE is a strong debate on the need of a regulation; new business models are arising and they are strongly connected with laws and regulations that are coming at national and European level.

How long experience is SE does your country have?

- Italy is the second country among the member states after Spain in Europe with the major number of users and people aware of what is the “sharing economy”. The situation is very different in the different areas and depending on the economic sectors. The first sector that experienced sharing economy both in Lazio region and in Calabria region is the sector of B&B. In towns such as Rome also other sectors such as transportation, commerce and food find a wide application. In Italy businesses triggered by the sharing economy is of about 3.5 billion Euros in 2015 (<http://www.collaboriamo.org/media/2016/09/Paper-05-sharing-economy-2-1.pdf>).

Are there regions within your country better than others in the context of the SE?

- It is important to underline that there are some economic sectors and some areas of Italy that are more responsive than others to the sharing economy challenges. Everywhere in the different areas of Italy a spontaneous arising of the sharing economy is changing the people behaviour. However, some areas are structuring the offer of

the sharing economy facilitating the connection among the different actors. This is easier in big towns and in towns with a strong touristic flow. Areas with low density of population can potentially obtain stronger advantages by the sharing economy, but also have difficulties given by bureaucracy.

Which socioeconomic impacts could be used to foster SE?

- Sharing economy is strongly connected with the need to provide new opportunities to the society to connect different societal actors in a network that facilitates to share the cultural and societal challenges under an economic perspective. Sharing common spaces and services connected to the use and management of material and immaterial cultural heritage (mainly in Italy) can be at the basis of any action for fostering sharing economy, for complementing the traditional economy, that frequently focuses on the most relevant cultural heritage assets. Organising a network of people who acts in the SE both as individuals and as companies is particularly relevant. SE can produce a new and more sustainable economic, social and cultural model.

What is overall perception of SE in your country? Is there wide variety of services that could be shared among different customers or are they all aiming at same customer base?

- There is the perception of the potentials of the sharing economy in terms of improving services where the traditional economy lacks, or for complementing services. The other issue is the importance of the sharing economy with respect to the social dimension of the economy (with peer2peer and on-demand services) and the collaborative issues. The other relevant and positive aspect of the sharing economy is the intrinsic sustainability concept that it contains.

Weaknesses:

What should/could your country do to improve/foster the development of SE?

- It is necessary an action that allow the different actors to professionalise their activities.

Is there lack of knowledge about SE?

- There are different levels of knowledge both among users and providers.

Are service providers skilled enough to participate in SE?

- The situation can be different in the different areas. The actors of the sharing economy are skilled; however different competences need, from economic, to regulatory skills. For this reason, the need is to facilitate also building a network facilitating the sharing

of the different skills. Freelance in this manner could act as parts of a complex body with a strong skill.

Are there recently a lot of investments to boost SE?

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What should your country avoid in context of SE?

- It is necessary to avoid that a lack of regulation will produce low quality in services and products. If the sharing economy does not consider the collaborative dimension, it can produce a lack of social benefits for workers, that have less rights with respect to the other workers. For this reason, it is important to build a network of people and companies that operate in the SE in the different territories. It is necessary to avoid the destruction of the welfare state.

What are experts' perceptions of the weaknesses of the SE in your country? Is adoption of SE principles making better profit to those services included in SE comparing to those not included?

- Generally, services included in the SE make better profit, even because they intercept needs that the traditional economy does not satisfy, as people search for a cheaper service that do not use if it is more expensive. Sometimes some services are not sustainable for the traditional economy and only the sharing economy can represent a solution. This is for example the case of transportation in areas with low population.

What factors difficult the growth of SE in your country (administration etc.)?

- Some difficulties can be represented by the need to be supported more by the local administration and the need of support by associations (category associations) for building territorial networks and international networks.

Opportunities:

Could SE provide missing services on the market of your country for the customers?

- Yes, this is one of the elements that makes sharing economy more popular. Mainly SE also provides services not available in some areas and time periods.

Is it depending on weather and how?

- Yes. In some areas transportation and accommodation services are necessary only in some specific periods connected with specific events, or with the season. The

traditional organisation of the economy can be too much rigid; a more flexible structure can therefore represent a solution.

Will positive trends of SE effect on overall satisfaction of people in your country?

- It is quite difficult to provide an answer to this question. Different feelings exist.

Could SE be fairer, lower-carbon, more transparent, participatory, and socially & culturally connected than traditional economy in your country?

- SE is triggering a collective behaviour fairer, lower-carbon, more transparent, participatory, and socially & culturally connected. However, it needs to be integrated and co-exist with the traditional economy defining a new blended model for innovation.

Threats:

What obstacles is your country facing with that difficult the rise of S/C economy? Are government regulations affecting SE success in your country?

- Italy is discussing a proposal of a national law on the sharing economy being aware of the influence that can have on the innovation of economy and of society.

Is globalization threatening the position of your country? Is political instability influencing on success of SE in your country?

- Globalization asks to all countries to define new approaches and models, where the different actors are connected in a schema of common convenience, and collaborate for providing/exchanging services, goods, etc. This requires building a common understanding and a new model that includes regulation at national and international level. The political stability helps the process.

Are different generational adoptions of SE present in your country?

- This is in line with the other countries.

Does SE have implications on labour definitions, salary, weakening status of workers in your country?

- Yes, and this is one of the critical issue that can produce breaking of social cohesion if it will be not regulated.

4.2. Slovenian example

Strengths:

What advantages has your country in context of exchange values as a development driver?

- Slovenia's main advantage is definitely its size, or rather lack of it, as values, ideas and experience can be exchanged quickly and efficiently. This is especially true for micro and small enterprises, as well as sole traders (entrepreneurs), which represent the majority of the real sector in Slovenia. In terms of serving as a development driver, it is advantageous to have a broad field of similarly sized entities, as this allows particular sectors/industries to exchange, adopt, and implement best practices without having to adjust for size.

What is unique in your country in the aspects of technology and market context of SE?

- In terms of technology, Slovenia has excellent and world-renowned research organisations and universities that connect and work well with various industries. With regard to the SE market, it is quite underdeveloped, so it is difficult to speak of any particular unique features. A (perhaps negative) aspect is that the presence of international SE platforms in the Slovenian market is negligible, which leaves more room for domestic providers.

How skilled is your country administration in context of SE and are they empowering new business models?

- The national administration is severely undereducated, underprepared and under-skilled to offer any assistance to or promote new business models. There are, however, some regional and local initiatives that strive to kick-start the SE sector.

How long experience in SE does your country have?

- Based on scarce research, the first SE platform that can be regarded as successful and recognizable (prevozi.org) dates back to 2012.

Are there regions within your country better than others in the context of the SE?

- Larger cities tend to have better access to resources (both substantive and financial), therefore it could be inferred that they are also better in the context of SE.

Which socioeconomic impacts could be used to foster SE?

- A well-organized and structured financing source/entity, programs to raise awareness of benefits of SE, policies and strategies, establishment of legal entities entrusted with the task of promoting SE activities (NGOs, co-ops, etc.).

What is overall perception of SE in your country?

- Potential users lack knowledge of the existence, benefits and terms and conditions of SE platforms. The (relatively scarce) user base is definitely in favour of this alternative model.

Is there wide variety of services that could be shared among different customers or are they all aiming at same customer base?

- There is almost no variety, therefore it is difficult to assess the diversity of the potential customer base.

Weaknesses:

What should/could your country do to improve/foster the development of SE?

- Amend labour legislation to prevent SE activities from falling under the statutory definition of non-observed economy, set up incubators/financing sources, engage in promotional activities.

Is there lack of knowledge about SE?

- Yes.

Are service providers skilled enough to participate in SE?

- Providers are definitely skilful enough to participate in core SE activities, however, administrative requirements and lack of a regulatory/strategic framework are an impediment.

Are there recently a lot of investments to boost SE?

- None.

What should your country avoid in context of SE?

- Over-regulation.

What are experts' perceptions of the weaknesses of the SE in your country?

- As referred to above: lack of strategy/regulatory framework/awareness.

Is adoption of SE principles making better profit to those services included in SE comparing to those not included?

- Not immediately, but benefits would definitely appear gradually.

What factors difficult the growth of SE in your country (administration etc.)?

- Slow adoption of SE principles, lack of awareness of benefits, lack of (political) will to seriously engage in the development of SE.

Opportunities:

Which behaviours/trends in institutions, technology, social pattern, population profiles, lifestyle, local dynamics are perceived as drivers for SE growth in your country?

- The global economic crisis has shown that traditional types of economy and business models are outdated and vulnerable to shocks. People are looking for new ways to purchase goods and services, which goes hand in hand with the spreading of e-commerce. Enhanced environmental awareness is a factor as well.

What is the advantage of local market?

- Recognition and, due to the size of the country, familiarity and trust.

Could SE provide missing services on the market of your country for the customers?

- Definitely; e.g. P2P transport, P2P accommodation, peerby, etc.

Is it depending on weather and how?

- No.

Will positive trends of SE effect on overall satisfaction of people in your country?

- In principle, yes. It depends on how the SE model will be developed and implemented.

Could SE be fairer, lower-carbon, more transparent, participatory, and socially & culturally connected than traditional economy in your country?

- Yes.

Threats:

What obstacles is your country facing that make the rise of S/C economy more difficult?

- Underdevelopment, administrative obstacles, questionable returns.

Are government regulations affecting SE success in your country?

- Not only affecting, but essentially hindering (labour law).

Is globalization threatening the position of your country?

- No.

Is political instability influencing on success of SE in your country?

- It is political uncertainty rather than instability, as it is difficult to reach bipartisan consensus on any economic issue or solution.

Are different generational adoptions of SE present in your country?

- Definitely. Younger generations, i.e. generations more familiar with and trusting of the internet, are far more willing and likely to adopt the concept of SE and use SE platforms than older generations.

Does SE have implications on labour definitions, salary, weakening status of workers in your country?

- It does, as it commonly falls under the definition of non-observed economy. Furthermore, as witnessed in other countries and with certain major SE platforms, the status of workers and their social security may deteriorate materially without proper regulation.

4.3. Spain example

STRENGTHS

General issues affecting collaborative economy

- Collaborative economy usually is based on the re-use of underutilized goods, services, space, time and skills, and so on. Therefore, it is often seen as an environmentally friendly economy.
- It often offers cheaper rates than traditional economy offers for similar products and services.
- It can provide customers with more options than traditional economy does.

- It provides owners the opportunity to monetize his/her idle assets.
- It benefits social participation by bringing together residents and neighborhood through sharing and collaborative activities.
- It may cultivate trust among people by peer-to-peer interaction and peer review system afterward.
- It involves non-cash transactions, therefore, it is safer than the traditional way of transaction.
- It has few barriers for entrepreneurs to enter.
- It is perceived as an innovative business model.
- It is a potential way to spur growth and create jobs.

Specific Spanish strength

- Mainstream collaborative platforms such as p2p accommodation and transportation have become an important supplementary of tourism infrastructure in Spain
- The collaborative economy has incorporated many service-oriented employees as individual and professional users of platforms, which might be a potential means for policy makers to achieve the goal of growth and employment.
- Many Spanish regions have a strong tradition of community participation, e.g. hundreds of Fallas associations and music bands scattered in the Valencia region, collaborative platforms may strengthen community participation and identity among neighbors.

WEAKNESSES

General issues affecting collaborative economy

- It cannot guarantee the quality of goods and services delivered through the platform.
- Many collaborative platform neglect consumer rights because after-sell service usually is unavailable.

- Over-emphasis on “sharing” and “interaction” makes conversation a burden of both providers and users of platforms in the process of dealing.
- It often works well in the metropolitan area than rural regions.
- The collaborative economy is monopolized by limited big platform in some sectors, such as transportation and accommodation, and hence, it hinders competition and innovation.
- Many collaborative economy businesses aren’t meeting the legal obligations in terms of business registration, licenses, and taxation, thus leading to unfair competition problem.
- It is also destroying steady job in the traditional economy.
- The development of collaborative economy doesn’t decrease the overall production and consumption of luxury goods.

Specific Spanish weaknesses

- There hasn’t been online shopping habit in Spanish society and people are still accustomed to shopping in the traditional market or commercial centers.
- The entrepreneurs of collaborative economy are highly geographically centralized – mostly in Madrid and Barcelona, other regions might be excluded from the opportunity provided by collaborative economies.

OPPORTUNITIES

General issues affecting collaborative economy

- The nature of collaborative economy caters to EU’s blueprint for smart, sustainable and inclusive growth and jobs, which creates a favourable policy environment for the development of the collaborative economy.
- EU enjoys a high degree of urbanization, which provides favorable demographical and geographical conditions for the expansion of the collaborative economy.

- Well-developed IT infrastructure and high popularization of computers and mobile phones in EU create technological condition for the development of the collaborative economy.
- Developed education and training system in EU facilitates the capacity building of the utilization of collaborative platform and thus increase potential users engaging in the collaborative economy.

Specific Spanish opportunities

- Spain is the European country with the biggest amount of smartphone and the leader in smartphone penetration, which provides a large number of potential users of the collaborative platform and thus forms a big market for collaborative economy.
- The lack of online shopping habit today also implies a big potential for the development of collaborative platforms tomorrow.
- Language and cultural connection with Latin-American countries provide Spanish collaborative platforms a wide market and foreground in Latin America.
- The National Commission on Markets and Competition (CNMC) has recommended eliminating the “unjustified barriers” that are hindering the development of the collaborative economy.

THREATS

General issues affecting collaborative economy

- There is a lack of standards for peer review system, and it is not easy to build trust among providers and users of platforms.
- The absence of related regulation leads to the uncertainty in the collaborative economy, which may result in reluctant investment in the collaborative economy.
- The controversy of the collaborative economy among policymakers may produce policy and legal risks to related businesses.

- There is no common framework of regulation at EU's level; international platform businesses may encounter varying legal problems in different countries and thus increase their operational costs.
- The fierce opposition and protest of some interest groups like taxi drivers and local neighbors may change the stand of legislators on supporting the collaborative economy.
- The use of loopholes in the unregulated laws may damage the rights of providers and consumers of platforms as well as the business environment, which may lead to more stringent supervision.
- The operation of some platform business may damage the rights of providers and consumers by seeking the loopholes of regulation.

Specific Spanish threats

- P2P transport has been the target of regulatory pressure, which resulted in the banning of Uber in 2014.
- Alternative funding platforms are believed to be under excessively strict in Spain.
- P2P Renting platforms are regulated by each region; Cataluña has been the first region to ask for maximum yearly rent for the apartments, municipal registry, and proof that the flats are indeed empty.

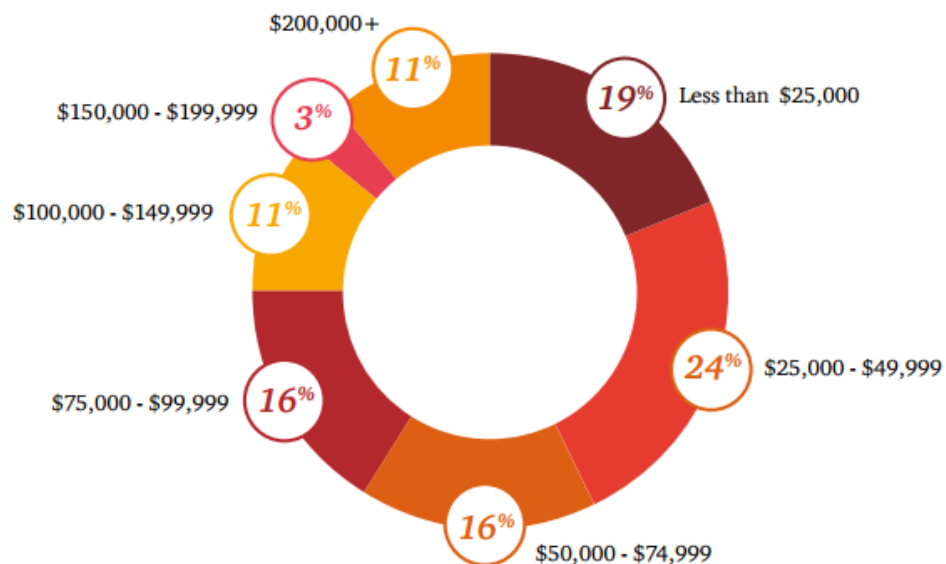
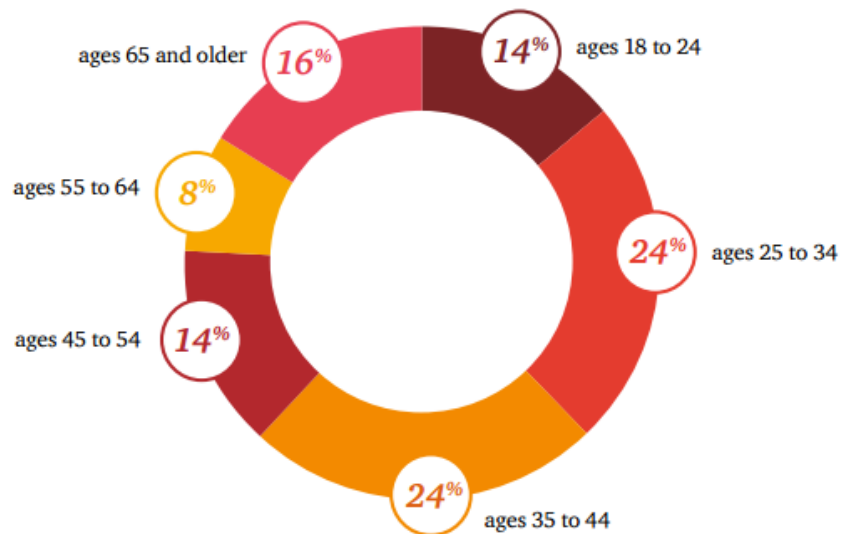
5. Sharing economy in USA

Here are just brief facts and figures of sharing economy in the USA. This is presented just to compare them with abovementioned SWOT analysis of Sharing economy in Mediterranean region.

Who's providing in this new economy?

7%

of the US population are providers in the sharing economy;
they cut across age and household income



Source: pwc.com/CISsharing

*Among US adults familiar with the sharing economy,
they perceive many benefits to it*



86% agree it makes life
more affordable



83% agree it makes life
more convenient and efficient



76% agree it's better for
the environment



78% agree it builds a
stronger community



63% agree it is more
fun than engaging with
traditional companies



89% agree it is
based on trust between
providers and users

They are re-thinking the value of ownership



81% agree it is less
expensive to share
goods than to own them
individually



43% agree owning
today feels like a burden



57% agree access is
the new ownership

But they have some concerns



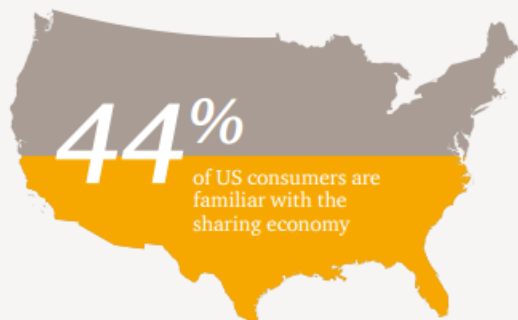
72% agree they feel that the
sharing economy experience is
not consistent



69% agree they will not trust sharing
economy companies until they are
recommended by someone they trust

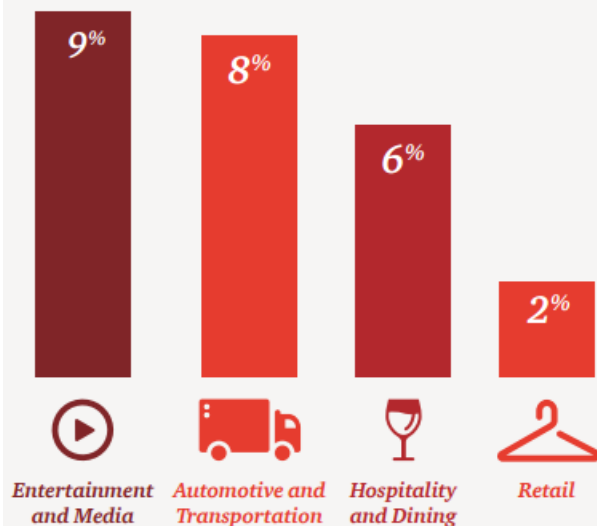
Source: pwc.com/CISsharing

Trust, convenience and a sense of community are all factors in pushing adoption of the sharing economy forward. Thanks to consumer willingness to try mobile apps, there are lower barriers to entry when it comes to building brands and scaling up quickly—the innovation clock is now set to fast-pace, and will get even faster as consumers become more trusting of relationships tied to social sentiment and communities of users.



19%
of the total US adult population has engaged in a sharing economy transaction

Percentage of US adults who have engaged in a sharing economy transaction



Source: pwc.com/CISsharing

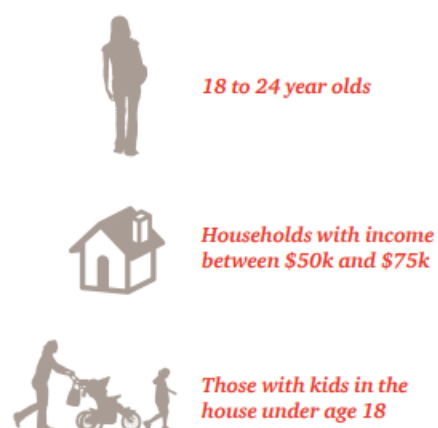


Of those consumers who have tried the sharing economy

57%
agree "I am intrigued by companies in the sharing economy but have some concerns about them"

72%
agree "I could see myself being a consumer in the sharing economy in the next two years"

Who is most excited about the sharing economy once they have tried it?



SWOT ANALYSIS OF SHARING ECONOMY IN MEDITERRANEAN REGION – OPEN DOORS PROJECT



STRENGTH

- Mediterranean region can become an early adopter of shared services by supporting users and providers
- Open doors can facilitate organization of a community of sharing economy consumers, providers and associations in Mediterranean region in cooperation with existing national platforms.
- Open doors can facilitate a forum for collective knowledge exchange and foster cooperation between sharing economy practitioners in different EU sectors and Member States.
- High potential for transferability and scalability of best practice solutions on the Sharing Economy among EU Member States to Mediterranean region
- Potential development of one regional sharing economy cluster in the Mediterranean area
- Presence of an high number of cities and urban aggregations able to develop sharing and collaboration action plans to stimulate greater recognition of the Sharing Economy across local policies.
- High potential for shareable transportation (as car sharing, bike sharing and ride sharing programs), food in particular on urban agriculture and workspaces and community owned businesses, facilitation of the temporary use of empty commercial spaces.



OPPORTUNITIES

- Increasing the role of the Technology – Internet revolutionized as the way to communicate as it is a medium for collaboration and interaction between individuals.
- New collaborative platforms are creating the new digital trust ecosystem has positive spillovers for the entire collaborative economy.
- Huge dimension of the sharing economy, the sharing economy is too big an opportunity to miss—or too big a risk not to mitigate.
- Opportunities on new marketplaces: organizations need to assess the potential for consumers to band together in a peer network that can undermine their value proposition.
- A lot of example and mature best practices for organizations to develop their own sharing economy concepts as innovation often starts with imitation.
- Sharing platforms could move companies much closer to maximum efficiency as Marriott, for instance, with the online platform LiquidSpace to convert empty spaces.
- Easy to sharing of intangible assets as intellectual property and brand.
- Increasing of forward-looking companies able to re-examine what creates brand value and position themselves accordingly in the marketplace. For instance, automotive companies from “automotive manufacturers to mobility providers”



WEAKNESS

- Some platforms are merely and passively intermediating providers and recipients
- Lack of national laws to differentiate clearly where the offeror of a service is acting as a provider from those where is acting as a mere consumer
- Lack of additional consumer protection obligations. High legal uncertainty.
- Conflicts among regulations when the provider is exercising a qualified profession, regulated by governmental bodies in Mediterranean region
- Lack of legal guidance provided by EU and national authorities
- High uncertainty who is liable when a problem arises on collaborative platforms
- Problem with labour law that mostly falls under national competence, complemented by minimum EU social standards and jurisprudence.
- High uncertainty on tax application to the collaborative economy service providers.
- Need to verify transferability of best practice scalable solutions across Mediterranean Member States.
- Need of people to want so much that they can share in their networks made of friends, relatives and co-workers.



THREATS

- Lack of tailored European policy frameworks for regulating the new Sharing Economy sectors
- The absence of regulatory measures creates uncertainty that may inhibit investments and development of the sector
- Problems and hostility from established enterprises and friction with trade unions and consumer organisations.
- All business strategy must therefore be based on the legal instruments that the EU is likely to introduce
- Sharing Economy organisations need to have a long-term vision and play an active role with European regulators, especially the European Commission, in designing appropriate policies, as the market is now rapidly taking shape.
- Working multiple jobs would be the new normal for wage earners, enabling workers to earn wages on their own time and their own terms could lead to low wages



Sharing economy needs analysis

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1. Introduction

The following is the Sharing Economy Needs Analysis, output under the OpenDOORS project, comprising the identification of micro needs (needs of individuals and organizations), mezzo needs (needs of communities, sectors and institutions), and macro needs (needs of regions and regulatory/policy aspect), identification of products and services that will satisfy identified needs, and focused interviews conducted with relevant stakeholders.

Member States that took part in the OpenDOORS project include Croatia, Italy, Slovenia, and Spain, all of which contributed material outputs and data underlying this Needs Analysis.

Stakeholders to be interviewed were selected in a manner reflecting the diversity of the sharing economy (SE) sector and comprise entrepreneurs, NGOs, and research organizations. All stakeholders were presented with an identical questionnaire and asked to base their answers both on their professional endeavours, as well as personal observations and opinions as to the future development of SE, underlying needs, and potential impediments.

The questionnaire was developed to collect opinions on needs on three levels, as referred to in the introduction (i.e. micro needs, mezzo needs, and macro needs). The purpose of the questionnaire was to identify products and services that would satisfy the needs of various user groups (as referred to under Point 2 of the Needs Analysis roadmap), and to collect information on the opinion and attitude of relevant stakeholders on the current state of affairs concerning SE in the Mediterranean region and areas with room for improvement.

2. Identification of needs

2.1 MICRO NEEDS (for individuals and organizations)

Individuals and organizations that operate in SE can have the need to contribute in building a network that will enable each agent to improve his visibility on the local, national, and international level, and to organise his activity in a manner that ensures connection and coordination with the SE network.

From the users' point of view, their need is to find trustworthy information on services available in different areas. Information quality is a concern, especially since the pool of active and available IT platforms is quite deep. It is therefore imperative to improve the quality of available information. Despite SE currently covering or having the ability to cover many sectors related to social and cultural sustainable development, it needs to be improved in terms of structured services.

Micro needs differ based on the role of individuals and organizations in the collaborative economy. For individual users, their needs are mostly oriented to "products" and "social contacts". On one hand, most of them seek lower-priced and diverse options through collaborative platforms such as *eBay*, while on the other hand, they hope to meet new people in the process of purchasing goods and services provided by some platforms like *Airbnb* and *Uber*.

In terms of individual suppliers, many people hope to capitalize on their unused goods, properties, spaces, etc. in order to earn "something on the side" through collaborative platforms. Profitability, however, is not the first and most important consideration for them to become an agent of collaborative economy. Individual suppliers consider "social contact" as well, and would like to make new friends and get to know multiple cultures through face-to-face contact.

Specialized suppliers (commonly organizations) need to explore effective and efficient alternatives that can provide them with (a) wider sales channels that allow easy and quick access to target clients; (b) smart digital marketing strategies that empower them to attract more users and followers in online platforms and social media; and (c) big data-driven and cloud-based systems for client data management.

2.2 MEZZO NEEDS (for communities, sectors and institutions)

Mezzo needs are more complex in terms of stakeholders in the collaborative economy. Different communities, sectors and institutions need to build a common framework comprising norms and tools for purposes of developing a coherent and sustainable economy, including sharing economy, tackling challenges and services, and complementing the needs of sectors and territories traditional economy does not support to a satisfactory extent.

With respect to communities, we can identify community involvement and community revitalization as two major needs. To illustrate, the Valencia region of Spain long ago recognized community involvement as an important factor, arising from the regional tradition such as the *Las Fallas* festival and music education, both of which contribute to thousands of community-based, and neighbourhood-oriented associations for festivals and music performance. Events and traditions like these are the pathway to a new need of maintaining the legacy and further developing regional traditions in the modern digital era. Community revitalization constitutes an emerging social need as well, as illustrated by e.g. the process of urban and community regeneration in Valencia, Spain, during recent years. Additional examples include “la Marina” (the Port of Valencia), which was repurposed as a creative and entrepreneurial zone by importing creative industry and entrepreneurial enterprises; “Ruzafa”, which has been transformed from a state of ruin into a young international neighbourhood, filled with professionals in fashion, design, and gastronomy; or “Benimaclet” with a strong tradition of collaborative community action that has become a space of experimentation for urban gardens or urbanism do-it-yourself.

A similar effort was undertaken by the Slovenian “Weaver” initiative (*Tkalka*). Located in Maribor, Slovenia, Weaver, an alternative office building in the very centre of town, opened its doors to a range of organisations, initiatives and individuals in 2014. The initiators of shared working spaces are organisations that were paying a rather high rent, organisations that were not able to rent their own spaces, desk-sharing programme users in the former premises of CAAP (Centre of Alternative and Autonomous Production), and individuals that were not able to find suitable space on the market. The beneficiaries enjoy a five-year rent-free arrangement and only cover operating costs. Currently, there are more than 25 organisations and social enterprises or cooperatives and more than 20 users of the desk-sharing programme (self-employed, micro enterprises, start-ups), all together more than

100 individuals. New users of the premises renovated, cleaned, painted, and furnished 2500 m² of space with their own minimal resources, through voluntary work, and some help from sponsors and donors they were able to attract. Weaver is also a support environment for socially engaged work and lifestyle. The enterprises, cooperatives and NGOs housed in this building are active in many different fields such as culture, media, food, housing, minorities etc. Fluid intertwinement of multi-coloured threads woven by offices, halls and stairways of Weaver has given birth to a new platform of social relations where life and work go hand in hand. Although all users organise their projects independently, they share much more than just operating costs of the building. They share technical equipment such as printers, photocopiers, projectors and shared spaces such as the kitchenettes, boardrooms, classrooms. Moreover, they also share knowledge and help each other when help is needed. Quite frequently, they also collaborate in common projects and activities as their efforts are often complementary.

The activities of Weaver are tightly bound to the local context of Maribor. On the one hand, the interested public gets involved through regular activities and events, while on the other hand, nearly all social enterprises in the city have some contact with the organisations in Weaver. Desk-sharing is also an opportunity for local organisations to work in the vicinity of similar organisation. Weaver has also become a central point for social enterprises and cooperatives that are situated in the city centre.

In all these examples, the values, tools and methodologies of the collaborative economy can be very useful for deepening and scaling-up the processes.

For cities, sharing economy has deep implications in designing urban spaces, creating jobs, and changing the models of transport. As such, the sharing economy also implies big changes for policy-making. The sharing economy brings people and their work back together through sharing, gifting, bartering, and peer-to-peer buying and selling. City governments should either kick-start or increase their role as facilitators of the sharing economy by designing infrastructure, services, incentives, and regulations that factor in the social exchanges of this game-changing movement.

Needs tend to be more diverse and conflicting on a sector-specific level. In accommodation and transportation, great concerns have arisen with regard to collaborative platforms such as *Airbnb* and *Uber* (or e.g. *Cabify* – the Spanish version of *Uber*) due to their negative externality on local

communities (noisy), traditional industry (unfair competition), and tax collection. However, the enrichment of transportation and accommodation alternatives for improving the tourism industry requires the creation of favourable conditions to develop and turn collaborative economy into a complementary branch of the traditional service industry.

However, not all P2P transportation platforms were met with such resistance. A good example is the Slovenian ride-sharing platform *Prevozi* (commonly referred to under the name of its website – *prevozi.net*). The service is based on the carpooling principle, meaning that users who have a free seat in their vehicle can offer it to other users looking for transportation to a certain location in the country. The service is most popular among students and daily commuters and quickly became an important, frequented, and well-known SE platform.

2.3 MACRO NEEDS (for regions, regulations)

Several areas studied by project partners (including but not limited to the Italian Alto Lazio region and Southeast Calabria) show a heightened need of competent policy makers taking targeted action in order to facilitate and assist agents of sharing economy in building a B2B and a peer2peer network of agents that would stimulate the economy and the social and cultural growth of territories. Federating the agents in new clusters, and promoting their capability to connect, can be facilitated by regulations at regional and national levels and by entering a memorandum of understanding that would join different agents of traditional and sharing economy. A regulatory effort is necessary to avoid the rise of new social and economic inequalities that can be triggered by speculations and different taxation systems, which cause lack of clarity of the normative system. The current situation definitely calls for the establishment of a common legislative framework on labour, taxation and consumer protection.

Despite clearly structured needs identified during the course of the analysis, it is important to note that the current development stage of SE, which is still fluid in terms of frequency of engagement, market share, and target groups, causes reason to believe that additional needs will be detected and identified in the future. Due analysis of said needs will be undertaken at a later stage, if appropriate.

3. Identification of products & services that will satisfy identified needs

Prior to breaking down specific products and services, it is important to highlight the primary condition precedent we all need: Information.

A material responsibility of the policy-makers is to generate and compile information about the sharing and collaborative economy. In discussing the effects of the sharing economy on economic development in general, the importance of data was reiterated on countless occasions. Tracking both revenue capture and job creation is difficult to do without data on the use of these services. Companies, however, have been hesitant to share such data for fear that it could potentially benefit their competitors within the sharing economy or in the traditional service industry with whom they compete. However, data are a powerful tool in examining the impact of the sharing economy on job creation and increasing supplemental income. As more data becomes available, all stakeholders (users, providers, policy makers) need to be prepared to use it to improve their behaviours and institutional frameworks

- *Assistance and support services* for economic agents facilitating their B2B networking, ranging from local, national to Mediterranean level.
- *Local transportation services.* Even for territories with well-developed international and national transportation, local transportation in all non-urban areas is underdeveloped to the point of being critical. Service providers need to manage peaks in demand, which alternate with periods of absolute quiet. This situation requires a very flexible organization of the core activity and the underlying regulation. Organising a local transportation service that would complement traditional transportation services with elements of SE can be a great opportunity to develop and enhance the recognition of SE and SE providers, all while easing the current non-urban transportation bottleneck. An on-demand local transportation service can provide an excellent alternative.
- *Services for immediate post-employment assistance and reintegration of the unemployed into the labour market.* This service can be provided by the unemployment office, however, relying solely on government services is usually not enough. For example, NGOs and

volunteer organizations can act as accelerators, organising social events for those who lost their jobs, organizing activities allowing the unemployed to volunteer in various shops and organizations, and providing free goods in return (e.g. basic necessities). This way, people can get involved in a network that can frequently facilitate finding new employment, or contribute in building new skills and competencies for self-employment.

- *Assistance and support services for the elderly.*
- *Assistance and support services for people with disabilities.*
- *Support services for the integration of immigrants in the economic and cultural environment, as well as integration into a new society.*

4. FOCUS GROUP WITH STAKEHOLDERS

– Questionnaire and analysis

The questionnaire was structured to reflect different needs levels and to include follow-up questions for each main topic shift. Stakeholders were asked to respond to seven questions, each relating to a different aspect of sharing economy. Despite its structured format, stakeholders were given the opportunity to discuss matters outside the realm of the questionnaire, as long as they were connected to the concept of SE, e.g. availability of domestic SE platforms, broader impact of foreign SE platforms on domestic (regional, local) economy, benefits of SE they may have experienced in professional and personal life, etc. The full questionnaire is enclosed to this analysis under Appendix 1.

4.1 Question 1

Please consider the following categories of collaborative economy products and/or services. Which categories do you consider to be the most suitable to satisfy the identified needs? Please elaborate.

- Peer-to-peer accommodation
- Peer-to-peer transportation
- On-demand household services
- Clothes and fashion
- Peerby
- Shared space/co-working
- Intellectual property
- Food
- Other (elaborate).

	cost & choice	social contact	Capitalization	sales channels	marketing	data mgmt	community involvement	community revitalization	enrich tourist infrastructure	Job creation	economic growth	cultural goods
p2p accommodation	x	x	x	x	x	x		x	x	x	x	
p2p transportation	x	x	x	x	x	x			x	x	x	

	cost & choice	social contact	Capitalization	sales channels	marketing	data mgmt	community involvement	community revitalization	enrich tourist infrastructure	Job creation	economic growth	cultural goods
on												
On-demand household service	x	x				x	x			x	x	
Cloth & fashion				x	x		x					x
Peerby	x	x	x				x					
shared space / co-working		x		x	x	x	x	x		x	x	x
Intellectual property					x	x		x		x	x	x
Food	x	x	x		x		x					x
Other second hand platform	x		x	x								

In terms of categories of SE products/services that best satisfy identified needs, stakeholders selected similar products/services, however, the replies were far from unanimous. Peer-to-peer transportation and on-demand household services scored the most selections, followed by peer-to-peer accommodation, co-working, intellectual property (if properly regulated in terms of ensuring [Sharing economy needs analysis](#))

benefits for both parties, i.e. “a win-win situation”) and peerby. With regard to peerby, stakeholders agreed that the concept is best suited for products used occasionally, such as sporting equipment and power tools. P2P accommodation can provide an answer to the needs of tourism demand and to the study and cultural exchange stage. This can represent an opportunity for areas that do not have a sufficient traditional network developed, and in particular in territories where large hotels organizations do not have adequate and sufficient elasticity in their organization.

With regard to shared space/co-working, this type of facility exchange can help and support social and cultural enterprises in taking necessary steps in terms of social and cultural aggregation. This approach is crucial for NGOs or voluntary organisations in acting as accelerators promoting social inclusion for societal groups with high unemployment rates, immigrants, or the elderly, who are generally in need of (re)integration and therefore require more assistance.

An interesting phenomenon occurred with peer-to-peer accommodation, where, despite growing in presence and popularity, mostly due to international providers such as AirBnb, some stakeholders replied that they do not regard the service as prospective in certain countries. While some stakeholders selected the category without being prompted, others opined that the lack of regulatory framework, general mistrust of people in sharing their property, and, by analogy, living in someone else’s property, and limited opportunities where they could use this service may hinder peer-to-peer accommodation. While food and clothes and fashion did not score any selections, as stakeholders feel that users tend to have similar mistrust towards sharing clothing as to sharing accommodation, some stakeholders did bring up additional services under “Other”, namely the sharing of open source software (which may be categorized under intellectual property) and knowledge sharing in the broadest possible extent (e.g. English lessons, etc.).

4.2 Question 2

Seeing that collaborative platforms rely heavily on the internet, how important are a well-developed IT infrastructure and capacity? Does the rising number of mobile phone and computer users affect the interest in and use of collaborative platforms? Should there be a strategy or programme to educate people in the use of digital technology with the specific intent of boosting collaborative platforms?

IT

A well-developed IT infrastructure and capacity is very important for the development of collaborative platforms. From the perspective of need, the increase in users of such collaborative platforms depends on the popularization of computer, mobile phone, internet access, etc. From the perspective of supply, electronic modes of payment, communication methods and peer review system are influencing factors that determinate the success of collaborative platform

All stakeholders highlighted the importance of a well-developed IT infrastructure and capacity. IT infrastructure is key in acquiring information, accessing platforms and comparing the product and service range. In terms of capacity, especially SE platform capacity, stakeholders highlighted the importance of user experience and the design and accessibility of platforms. Stakeholders feel that the simplification and unification of various platforms in order to ensure a unified user experience across all SE platforms is a reasonable approach, however, are well aware that SE platforms are a marketable product for developers and product/service providers, meaning that a regulated unification may denote an unjustified restriction of free enterprise. IT infrastructure and platforms play a crucial role in the effective possibility to develop SE, as they allow: to develop a network of SE agents, making it possible to break the isolation and to share experiences, organise services, share goods at local, national, and international level. IT platforms increase visibility as well as opportunities to improve the use of services and resources. However, IT platforms should not be restricted only to large multinational services. As referred to in OpenDOORS State of the Art output, “the emergence of sharing platforms is changing the way industries such as food & beverages, travel and transportation, accommodation and services conduct business, and is forcing them to re-evaluate their business models.” SE has far-reaching implications, such as improving resource utilization, increasing convenience, creating jobs, improving digital awareness and environmental benefits. The broad diffusion of SE is closely related to the use of platforms providing on-line services. For this reason, particular relevance will be provided in Open DOORS to these platforms at European level and at the level of different territories involved in the project, as well as to all platforms that have international relevance and impact territories interested in Open DOORS.

Several stakeholders highlighted an important internet-related aspect of SE, namely the issue of cybersecurity. Even though potential threats of identity theft, abuse of personal information and abuse of credit cards and/or other online payment methods are well known, and there are different

national and supranational initiatives and associations (e.g. consumer protection associations, cybersecurity associations, etc.) that raise awareness and assist in helping keep users secure, users still often neglect the security aspect. One stakeholder opined that all of us tend to disclose our personal information far too easily when browsing website we feel we can trust. With the rise of online (SE and other) platforms that require of users to enter personal information and credit card data to purchase products and/or services, cybersecurity and user protection are becoming more important than ever.

Influencing factors

All experts agree that the number of mobile phone and computer users and their capability of utilizing digital technology are important factors that may determine the development of collaborative platforms. The increase of mobile phone and computer users can expand potential user groups of collaborative platforms; the capacity building of using digital technology empowers people to access digital platform to benefit from sharing economy. Even though an essential strategy and programme for digital technology education may contribute to a wide degree of digital inclusion of citizens, and a great degree of willingness and capability of using digital platforms, thus boosting the collaborative platforms, the majority of stakeholders advise against developing a specific education strategy or programme to train users on SE platform-specific content. By opinion of the stakeholders, even though digital literacy and skills are essential in today's world, a strategy, either on a regional, national or even supranational level, would not bring desired effects. While the availability and wide use of mobile phones and computers provide people with the real opportunity to directly access or directly provide information they need in relation to the service or goods involved, the majority of stakeholders opined that the market, user experience and popularity of SE platforms will ensure survival of the fittest, whereas digital skills and competencies should be taught to (especially older) users in a target-oriented manner, rather than as part of a comprehensive strategy. Only one respondent referenced a strategy adopted in their MED Member State (Croatia; *Croatian strategy for broadband development*), however, the latter focuses on the expansion of broadband and mobile Internet access, rather than the development or unification of SE platforms. In general, stakeholders do believe that there is a need for enhancing the knowledge of current and future users in terms of digital literacy and awareness of SE platforms, however, a focused training programme was not the preferred choice of any respondent.

4.3 Question 3

What are users' expectations regarding price, quality etc. in comparison with traditional forms of economy?

Users have various exceptions on collaborative platforms. In terms of the extent to which users anticipate, exceptions can be summarized by the following:

- Diverse options;
- Low price;
- Improving life quality;
- Strengthening social interaction;
- Improving environmental sustainability.

Stakeholders were nearly unanimous in their opinion that users of SE platforms expect a favourable (lower) price in comparison with traditional sales channels and forms of economy, all while quality should not differ from what users are accustomed to. Another opinion shared by most respondents is that convenience of accessing services and products is a material factor in users' decision to use SE platforms, as is the environmental aspect arising from sharing, rather than buying, products or services, and the feeling of connectedness and cooperation. Some respondents even consider the environmental, cost optimization and connectedness aspect to be more important to users than top-level quality, meaning that users may be willing to accept a product/service of slightly below-average quality, providing other key aspects are met.

SE should reduce costs, however, its main characteristic and function should be to complement traditional economy, providing quality services with socially sustainable costs, and should provide solutions for goods and services in territories that already have recognizable and well-established cultural heritage assets, food, crafts, fashion, etc. The valorisation of territories is closely related to the highest quality for users. Improving quality and adopting a new model implementing a more sustainable economy at social and environmental level are some of the most prominent challenges for this new form of economy.

Another very relevant challenge is represented by social services. This sector needs to create a bridge between the sustainability of the service and pressing social needs, which may be realized by joining activities of economic actors with networks of volunteers. These challenges are relevant in many Mediterranean areas due to the global economic crisis and the refugee crisis.

4.4 Question 4

Who are the competitors, how do they operate and what are their strengths and weaknesses?

In terms of direct competition to SE platforms, stakeholders responded in a rather diverse manner. Some are of the opinion that traditional types of economy still present the most prominent competitors to SE providers, followed by other SE platforms that provide similar products or services, be it domestic or supranational. International SE platforms are still the primary choice of most users, however, certain domestic product/service providers are slowly gaining momentum, mostly due to the fact that their business model somewhat imitates best practice examples employed by supranational platforms. Traditional types of economy employ traditional sales channels and commonly have at their disposal bigger advertising budgets than SE platforms, which are usually organized either as start-ups in need of capital backing or as incubator-based enterprises trying to carve a niche in a relatively uncharted market. Another area of importance highlighted by the stakeholders is that certain platforms tend to group products and services that are essentially unrelated (akin to a flea market) and could therefore be categorized as SE platforms only in principle. The latter is the result of underdevelopment of the SE model in certain Mediterranean Member States (e.g. Slovenia). In terms of strengths and weaknesses of the competition in comparison with SE platforms, stakeholders generally agree that an established business model and brand recognition are the most prominent advantages held by traditional types of economy, as is the aforementioned capital backing. On the other hand, weaknesses displayed by traditional types of economy commonly relate to the relative rigidity of established business models and (at least a perceived) reluctance to adjust to user demands. Sharing economy is fairer, produces less carbon, is more transparent, participatory and socially and culturally connected.

Currently there are different kind competitors in the local, national and international panorama with respect to services such as transportation and accommodation. Traditional transportation services are complemented by organizations such as Uber or peer2peer services such as *BlaBlaCar*.

Accommodations are also offered by networks of B&B, or service providers offering to exchange their homes/properties owned for a short period of time.

Strengths of SE consist in building a perspective of a new economically sustainable approach that will allow to Mediterranean region to build a network of operators who federates different agents, ranging from local level to Mediterranean (supranational) level.

However, studies and interviews with relevant stakeholders show that the situation is highly fragmented and new. Critical issues that persist include a lack of quality assurance and inherent risks arising from the still-evolving commercial model. Even though competitors are clearly identifiable as a category, it may be difficult to highlight them individually. This criticality also goes hand in hand with the need for proper regulation that will conjugate sustainability, equity, and commercial and environmental development.

A particular opinion of one stakeholder deserves closer attention, seeing that it significantly deviates from the majority. In the opinion of this stakeholder, real SE platforms do not have any competitors at all due to their tax situation and treatment which is (owing to a lack of regulation of these new models and the cloud-based organizational structure) essentially tax neutral, as well as due to material technological advantages traditional types of economy are unable to compete with. The stakeholder compared SE platforms to a plane fly-over, as SE models tend to reap the benefits of a flexible and favourable business model without contributing to the economic development of the host state.

competitors	strengths	weaknesses
1. traditional business	<ul style="list-style-type: none"> • physical location established in the market • direct contact with clients 	<ul style="list-style-type: none"> • highly concentrated by small amount of providers • limited supply • hourly restriction
2. other collaborative platform	<ul style="list-style-type: none"> • diversify the collaborative services • (might be) more recognized 	<ul style="list-style-type: none"> • monopolized by limited platforms
3. institutional services (usually public - private partnerships, e.g. public bicycle)	<ul style="list-style-type: none"> • high quality • more power than other competitor types • well-recognized 	<ul style="list-style-type: none"> • not really collaborative • does not favour mid-size firms • does not satisfy all needs

competitors	strengths	weaknesses
	<ul style="list-style-type: none"> • wide access to public 	<ul style="list-style-type: none"> • expensive service
4. local initiatives engaging in collaborative activities	<ul style="list-style-type: none"> • close to community and participants • social support 	<ul style="list-style-type: none"> • neither institutional nor market support • lack of dispersal

4.5 Question 5

In terms of competition, how does the number of providers of similar or identical products/services impact a particular platform or influence users?

Similar sentiments were shared also in relation to the number of SE providers of similar or identical products/services and their impact on a particular platform or user behaviour. Users still tend to decide on a platform based on quality and reliability, however, even in the SE model success is commonly contingent upon user experience and innovation. As with other business models, service/product providers often imitate success stories, meaning that users base their decisions on the price-quality-reliability ratio. Stakeholders do not believe that the choice between providers who offer identical products/services is based on users' "morals" (e.g. choose domestic providers over supranational, factor in social responsibility, etc.), but rather on convenience, ease of access and use and security. As the largest and most prominent SE players tend to have the most reliable, easy to use, safe, and recognizable platforms, users tend to gravitate towards these providers. Despite the difference in philosophy (i.e. compared to traditional types of economy, SE is based on sharing, reusing and developing a community of users), stakeholders still believe that SE providers predominantly follow the financial aspect of their endeavours, which is reflected in their behaviour on the market.

Complex impact on particular platform

Participants identified a set of complex impacts of the number of providers on a particular platform. In general, the number of providers is a double-edged sword. On the one hand, a small amount of providers is beneficial to the growth of particular platform, as start-up platforms can expand their markets fast and easily without facing fierce competition. However, a small number also means high

degree of market concentration, which hinders innovation of platforms owing to the lack of competitive pressure. On the other hand, a large number of providers can improve the innovation and competitiveness of platforms because of competition, but over-competition is not a favourable market condition for a new industry and start-up platform. Moreover, it is not beneficial to scale of economy either.

Contrary to the above, participants believe that an increasing number of providers can improve users' welfare because it can (a) diversify products and services, and (b) decrease prices, while a small amount of providers may lead to industrial concentration and monopoly market, which tends to damage users' welfare.

4.6 Question 6

In your experience, what is the users' trust level towards these platforms compared to traditional commercial platforms/channels? Do you believe there is a difference between local brands and enterprises and international/foreign ones in terms of trust?

Despite prefacing the topic by acknowledging that the lack of local providers who could be analysed against to SE giants makes a direct comparison somewhat inaccurate, stakeholders were unanimous that users' trust levels towards SE platforms in comparison with traditional commercial platforms/channels is fully contingent upon the type of product/service. All stakeholders also highlighted the increasing generation gap, as the older population still relies heavily on traditional sales channels and platforms due to their unfamiliarity with technological advancements. The younger generation, on the other hand, has no trust issues towards online purchases, especially if the purchases are made using world-renowned platforms. In general, international platforms have a higher reputation and level of trustworthiness than local platforms, which are few and far between. Another distinction should be made between purchasing products and purchasing services, as quality control in the case of products is more direct and can, in the event of defaults, be remedied through the manufacturer's warranty, which is often missing with services. The stakeholders were unanimous in acknowledging that younger generations are far more advanced in terms of using various online platforms, including SE platforms, and have fewer trust issues than the older generation. Some stakeholders also feel that international recognition and a good reputation can somewhat mask potential shortcomings in quality.

It is difficult to identify the overall degree of users' trust in platforms because this degree may differ based on internal (e.g. platform itself) and external (e.g. exposure, proximity to life) factors. First, proximity to daily life might make users trust a particular platform more easily. For example, some categories such as transportation, accommodation and second-hand sales may win a higher degree of trust among users compared to other categories such as seed capital platforms, food, or peerby. Second, it might be easier for p2p platform to have users' trust than mixed (p2p+b2c) platforms. Third, local operations (local language, local branches, local managers) might create a favourable condition for platforms to earn users' trust.

Based on the feedback from local participants, the Spanish *BlaBlaCar*, Slovenian *Prevozi* and the global Airbnb are the most trusted platforms, while *eBay* is as not trusted, although it is well known as well. However, further research is needed to obtain a broader spectrum of scientific results.

For Member States looking to adopt an informal, soft regulatory framework in terms SE, a good example is provided by Spain, where the sharing economy lobby, comprised of the most important sharing platforms, proposed a Code of Conduct in defence of the development and reputation of the collaborative economy and the protection of its users. Members committed to comply with the following principles and values: 1) promote collaborative economy (inform about the benefits, support users as active agents); 2) operate in line with principles of honesty, integrity and trust (act with honesty and integrity in promoting the development of efficient and truthful reputation and trust systems); 3) protect safety and effective care; 4) strengthen cooperation with Public Administrations to promote a good understanding of the collaborative economy that facilitates the development of proportionate regulations and innovative policies that allow for the development of this new socio-economic phenomenon for the benefit of users and in the general interest by adopting legislation to the social reality; and 5) disseminate the code of conduct.

4.7 Question 7

With regard to your country's geographic and socio-economic position as a Mediterranean country, do you feel that collaborative platforms reflect this position in terms of products and services they provide?

In general, the majority of stakeholders agreed that the (few) platforms available in their Member States do not reflect their position as a Mediterranean country in terms of products and services the

platforms provide, and singled out best practice examples from other Mediterranean countries (e.g. Italy) that would be beneficial for national economies and users in general.

4.8. Question 8

What are the impediments in policy regulations in terms of adopting policies relevant to the region and in terms of state-level policy implementation?

Policy regulation on collaborative economy is a big challenge for authorities and policy makers at all levels. Considering the characteristics of collaborative platforms that rely mostly on digital platforms and online operation, such regulation usually calls on interregional and international coordination mechanisms beyond regional and national territories. A common regulative framework should be developed in order to create fair and sustainable conditions for both the collaborative and traditional economy.

In this sense, some general impediments can be identified at state and even EU levels, as follows.

- Collaborative platforms often operate beyond the territory where they are registered, but they are only ruled by laws and regulations in the territory where they are registered.
- It is difficult to access information of collaborative platforms, including fiscal data and business registration details.
- There is no clear criterion to delineate between for-profit and non-profit activities involved in collaborative platforms.
- The coexistence of different economic relations involved in the collaborative platforms - e.g. B2C and P2P - complicates the application of regulations, as said regulations need to cover a wide range of categories including civil law, firm law, tax law, consumer protection law, etc.
- There is still much controversy about collaborative economy in administrative regulations and labour and tax obligations.

Spain has by far the most experience with local SE platforms, as well as SE on a national scale in general, among all project participants, having established a clear and widespread model that clearly reflects its position as a Mediterranean state. Spain is closely followed by Italy, where local SE

platforms are slowly transcending strictly local-use boundaries and are generally entering a stage that could be described as national. Slovenia and Croatia are currently in the earlier development stages with regard to SE. It is important to note, however, that local SE platforms and models have yet to expand beyond their respective origination markets.

As studies in Italy have shown, there is a pressing need for policy-makers to make a real effort in developing territorial- and national-level regulations. Holistic regulation is necessary to pave the way for SE to complement traditional economy, thus reinforcing territories without introducing new criticalities. Regulation should be developed and implemented in a way that ensures balanced and fair taxation and avoid unfair competition across various product and service sectors. At the same time, in an economic structure such as the Italian one, which characterised by a strong presence of micro initiatives, regulations should stimulate private initiatives and their organization in a recognisable and certifiable network that will be able to reinforce and guarantee quality assurance in services and products.

Referring back to Spain, a serious conflict between different stakeholders represents a specific impediment in the policy regulation on collaborative economy, especially in the coastal region that includes Barcelona and Valencia. On one hand, Spanish economy relies heavily on tourism, which absorbs a large amount of man-hours in service-related work. Many collaborative platforms such as Airbnb have activated economic activities and created jobs. On the other hand, the abuse of some collaborative platforms also exerts negative externality and huge social cost (such as unfair competition in p2p transportation, noise in p2p accommodation) in many tourist cities, which led to extensive petitions against such platforms in the community. This requires policy-makers to balance economic growth and social cost when drawing up regulations.

A very recent report summarizes the main features of the regulation of collaborative economy platforms in Spain:

- P2P transport has been the target of regulatory pressure, which resulted in the banning of Uber in 2014. The platform is trying once again to enter the market using drivers with VTC professional licenses. In the case of *Blablacar*, bus companies have asked that they are regarded as a business venture, however, the request has not been granted.

- P2P Renting platforms are regulated by each region – Cataluña has been the first to ask for maximum annual rent for the apartments, municipal registry and proof that the flats are indeed empty.
- Alternative funding platforms believe that regulation in Spain is excessively strict.
- In 2016, a study published by the CNMC¹ included a recommendation to eliminate “unjustified barriers” that hinder the development of the collaborative economy. This study by CNMC shows the position of Spanish authorities, whose recommendations to ease regulations sparked a strong controversy that led to internal disagreements. This serves as an indicator of the level of controversy caused by the introduction of the collaborative model in Spain.

A major impediment in the adoption of state-level policies and strategies, in addition to the lack of interest or readiness to regulate the SE sector, is also the current labour legislation. Per current regulations, activities that are commonly regarded as SE services, e.g. P2P transportation, on-demand household services, etc. may fall under the statutory definition of non-observed economy and can thus be punishable by law. In order to ensure growth and prosperity of SE, there needs to be a clear demarcation between what constitutes illegal conduct and what is considered to be part of a shared service or product. Moreover, the rigidity of legislative procedures is no match for the swift progress and development of alternative economies.

¹ The National Commission on Markets and Competition (CNMC in Spanish) is an entity that promotes and defends proper functioning of all markets, in the interest of consumers and businesses.

5. Appendix 1 – structured questionnaire

1. Please consider the following categories of collaborative economy products and/or services. Which categories do you consider to be the most suitable to satisfy the identified needs? Please elaborate.
 - Peer-to-peer accommodation
 - Peer-to-peer transportation
 - On-demand household services
 - Clothes and fashion
 - Peerby
 - Shared space/co-working
 - Intellectual property
 - Food
 - Other (elaborate).
2. Seeing that collaborative platforms rely heavily on the internet, how important are a well-developed IT infrastructure and capacity? Does the rising number of mobile phone and computer users affect the interest in and use of collaborative platforms? Should there be a strategy or programme to educate people in the use of digital technology with the specific intent of boosting collaborative platforms?
3. What are users' expectations regarding price, quality etc. in comparison with traditional forms of economy?
4. Who are the competitors, how do they operate and what are their strengths and weaknesses?
5. In terms of competition, how does the number of providers of similar or identical products/services impact a particular platform or influence users?
6. In your experience, what is the users' trust level towards these platforms compared to traditional commercial platforms/channels? Do you believe there is a difference between local brands and enterprises and international/foreign ones in terms of trust?

7. With regard to your country's geographic and socio-economic position as a Mediterranean country, do you feel that collaborative platforms reflect this position in terms of products and services they provide?
8. What are the impediments in policy regulations in terms of adopting policies relevant to the region and in terms of state-level policy implementation?